



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING
OCTOBER 6, 2010

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7th Floor Board Room at the Air District Headquarters, 939 Ellis Street, San Francisco, California.

**Questions About
an Agenda Item**

The name, telephone number and e-mail of the appropriate staff person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

BOARD OF DIRECTORS REGULAR MEETING

A G E N D A

WEDNESDAY
OCTOBER 6, 2010
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Chairperson, Brad Wagenknecht
Clerk of the Boards

PUBLIC COMMENT PERIOD

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3
Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

BOARD MEMBERS' COMMENTS

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

CONSENT CALENDAR (ITEMS 1 – 4)

Staff/Phone (415) 749-

1. Minutes of September 15, 2010

L. Harper/5073
lharp@baaqmd.gov

2. Communications

J. Broadbent/5052
jbroadbent@baaqmd.gov

Information only.

3. District Personnel on Out-of-State Business Travel

J. Broadbent/5052
jbroadbent@baaqmd.gov

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memoranda lists District personnel who traveled on out-of-state business.

4. Quarterly Report of Air Resource Board Representative – Honorable Ken Yeager

J. Broadbent/5052
jbroadbent@baaqmd.gov

COMMITTEE REPORTS AND RECOMMENDATIONS

5. Report of the **Mobile Source Committee** Meeting of September 23, 2010

CHAIR: S. HAGGERTY

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee recommends Board of Directors' approval of the following items:

A) Consideration of Projects with Proposed Grant Awards Over \$100,000:

1. Approve the Carl Moyer Program 2009/2010 and Transportation Fund for Clean Air (TFCA) FY 2009/2010 projects with proposed grant awards over \$100,000;
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program and TFCA FY 2009/2010 projects.

B) Update on the California Goods Movement Bond (I-Bond) Truck Program:

1. Adopt Resolution allowing the Executive Office/APCO to execute all necessary contracts with the California Air Resources Board (ARB) to accept up to an additional \$700,000 in reallocated I-Bond funding for On-road truck projects.

C) Update on Bicycle Programs:

1. Approve the allocation of \$1.4 Million in TFCA Regional Funds from FY 09/10 to support a pilot Bicycle Share Program.

6. Report of the **Stationary Source Committee** Meeting of September 27, 2010

CHAIR: G. UILKEMA

J. Broadbent/5052

jbroadbent@baaqmd.gov

7. Report of the **Maritime Sources & Ports Committee** Meeting of September 29, 2010

CHAIR: N. MILEY

J. Broadbent/5052

jbroadbent@baaqmd.gov

8. Report of the **Strategic Facilities Planning Ad Hoc Committee** Meeting of October 1, 2010

CHAIR: B. WAGENKNECHT

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee may recommend Board of Directors' approval of the following items:

A) Nomination and Election of Committee Chair:

1. Approve the election and nomination of the Committee Chair.

B) Role, Responsibilities and Structure of the Committee:

1. Approve the structure of the Committee.

C) Report on the Background and Key Finding and Recommendations on the Strategic Facilities Project-Phase II:

1. *Approve recommendations regarding Phase II of the Project.*

9. Report of the **Legislative Committee** Meeting of October 4, 2010

CHAIR: S. GARNER

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee may recommend that the Board of Directors take an oppose position on Proposition 23.

RESOLUTION

10. The Board will consider adopting a resolution to take an oppose position on Proposition 23.

J. Broadbent/5052

jbroadbent@baaqmd.gov

PRESENTATION

11. The Board will receive a summary of the 2010 Ozone Season.

E. Stevenson/4695

estevenson@baaqmd.gov

CLOSED SESSION

12. **Conference with Legal Counsel – Existing Litigation**

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case:

Duraflame, Inc. v. Bay Area AQMD, California Court of Appeal, Case No. A128062

OPEN SESSION

OTHER BUSINESS

13. Report of the Executive Officer/APCO
14. Chairperson's Report
15. Time and Place of Next Meeting – 9:45 A.M. Wednesday, October 20, 2010 – 939 Ellis Street, San Francisco, CA 94109
16. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5130

FAX: (415) 928-8560

BAAQMD homepage:

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities. Notification to the Executive Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's headquarters at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the Air District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

OCTOBER 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Strategic Facilities Planning Ad Hoc Committee <i>(At the Call of the Chair)</i>	Friday	1	1:00 p.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Monday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(At the Call of the Chair)</i>	Monday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

NOVEMBER 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	10	9:00 a.m.	Board Room
Joint Policy Committee Special Meeting	Friday	12	10:00 a.m.	MTC Auditorium 101 – 8 th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room

Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	18	9:30 a.m.	4 th Floor Conf. Room
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Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - RESCHEDULED TO NOVEMBER 18, 2010 at 9:30 a.m.	Thursday	25	9:30 a.m.	4 th Floor Conf. Room
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DECEMBER 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee Meeting <i>(At the Call of the Chair)</i>	Monday	13	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Joint Policy Committee Special Meeting	Friday	17	10:00 a.m.	MTC Auditorium 101 – 8 th Street Oakland, CA 94607
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - RESCHEDULED TO NOVEMBER 18, 2010 at 9:30 a.m.	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

SS – 9/30/10 (10:24 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 27, 2010

Re: Board of Directors Draft Meeting Minutes


RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors Regular Meeting of September 15, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of September 15, 2010.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5000

Board of Directors Regular Meeting
September 15, 2010

DRAFT MINUTES

CALL TO ORDER: Chairperson Brad Wagenknecht called the meeting to order at 9:45 a.m.

Roll Call: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Secretary John Gioia; and Directors Chris Daly, Dan Dunnigan, Susan Garner, Carole Groom, Scott Haggerty, David Hudson, Jennifer Hosterman, Ash Kalra, Carol Klatt, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, James Spering, Pamela Torliatt, Ken Yeager, and Shirlee Zane

Absent: Directors Harold Brown and Gayle B. Uilkema

PLEDGE OF ALLEGIANCE: Chairperson Wagenknecht led the Pledge of Allegiance.

PUBLIC COMMENTS: None

BOARD MEMBER COMMENTS: None

PROCLAMATION(S)/AWARDS

The Board of Directors recognized Henry Gardner for his service as the Executive Director of the Association of Bay Area Governments.

CONSENT CALENDAR (Items 1-2):

1. Minutes of September 1, 2010 Regular Meeting;
2. Communications

Board Action: Director Ross made a motion to approve Consent Calendar Items 1 and 2; Secretary Gioia seconded the motion; unanimously approved without objection.

PUBLIC HEARING(S)

3. Public Hearing to Consider Adoption of the 2010 Clean Air Plan (CAP) and Certification of a Final Environmental Impact Report (FEIR) on the CAP

Executive Officer/APCO Jack Broadbent stated that the Board received presentations on the Clean Air Plan (CAP) on September 1, 2010 and August 4, 2010, and that the Board is being asked to adopt the Plan today. He said the CAP is a blueprint for the Bay Area in guiding the District's efforts moving

forward. It includes a comprehensive list of strategies, and is a multi-pollutant plan seeking to address regional smog as well as local air toxic contaminants and greenhouse gases. He introduced David Burch who will provide a presentation and highlight changes made since the Board's initial review.

Principal Planner, David Burch, said the 2010 CAP serves as an update to the 2005 Ozone Strategy and, in fulfilling Health and Safety Code requirements, the CAP includes all feasible control measures to reduce ozone and ozone precursors, reduce transport to neighboring air basins, and continue progress in attaining applicable State and Federal ozone standards. He said the District redefined its approach to air quality planning and the plan being brought forward embodies a comprehensive review, is multi-pollutant in scope, and key outcomes of the plan protect public health and the climate.

Mr. Burch described the plan's robust public outreach effort, rigorous control measure evaluation process, and said key milestones include release of the Draft CAP Control Strategy in August 2009, release of the Draft CAP and Draft EIR in March 2010, and release of the Draft Socio-Economic Analysis in April 2010. Workshops were held, comments were solicited, and comments and revisions have been incorporated in the CAP as presented today.

Mr. Burch discussed public comments received which have been generally positive and are included as part of the record. Specific revisions were made to certain measures to strengthen and clarify control measures to focus on the need to reduce population exposure and engage with impacted communities in moving forward to implement the plan.

Staff performed a Health Impacts Analysis which was discussed in the August and September Board meetings, and he highlighted some key findings of the analysis. The overall conclusion was that due to improvements over the last several decades, health impacts have been greatly reduced and improvements have helped to increase average life expectancy in the region. Another conclusion is that improvements provide tangible economic benefits to the region. Air pollution still has negative health impacts, and the District will need to focus future efforts in reducing PM 2.5 emissions from all sources.

In response to questions raised by Director Haggerty regarding asthma emergency room data, Mr. Burch confirmed that data provided by the Statewide Health Planning and Development office does include asthma emergency room visits at the Valley Care Medical Center. The CAP protects public health by focusing on reducing population exposure through inclusion of stationary source control measures and mobile source measures to reduce fine particulate matter and air toxics, and through new Land Use and Local Impacts Measures (LUMs) to protect the most impacted communities.

Climate protection is also a key element of the plan. Mr. Burch explained that a narrative is provided in the plan to explain how climate and air quality interact. Each of the greenhouse reductions and their benefits for each control measures has been estimated. Staff maximized the greenhouse gas co-benefits from measures and included a new stationary source measure to promote energy efficiency and a new category of control measures called Energy and Climate Measures.

Mr. Burch provided a brief overview of the 55 control measures in five categories and said the CAP also includes 18 Further Study Measures (FSMs) and a leadership platform. A socio-economic analysis of the plan was completed and he briefly reviewed key findings. He said a more detailed analysis will be done through the rule development process and CAP measures will not impose significant costs or unfunded mandates on local government.

An environmental review was also prepared, which is attached as Exhibit E to the staff report. Significant impacts after feasible mitigation included a potential for localized CO emissions relating to urban development, as well as potential water demand related to add-on control equipment for Stationary Source Measures (SSM) 6, 8 and 9. Overall, the CAP will provide a major benefit to the environment and to public health in the region.

Mr. Burch summarized CAP achievements, and said the recommended action by the Board is to certify the Final EIR on the 2010 CAP, and adopt the Bay Area 2010 Clean Air Plan. Next steps include moving forward with implementation of the CAP Control Strategy, development of proposed rules, and further analysis of FSMs.

Director Comments/Questions:

Director Hosterman requested an explanation of how the CAP aligns with local Climate Action Plans. Mr. Burch said the control strategy does not stand alone and there will be many local, state and federal activities which will help to improve air quality and protect the climate. He said local Climate Action Plans will address greenhouse gas reductions, benefits will be derived from the California Air Resources Board's (CARB's) program to reduce emissions from heavy duty diesel engines, as well as reductions from the Pavley Rule for fuel economy, light duty vehicles, and the low carbon fuel standard. The District has provided support through grant programs, technical assistance to local cities, and on-going partnerships and dialogue between the District and local agencies will continue.

In response to Director Hosterman regarding added water demands, Mr. Hilken said staff took an extremely conservative approach under CEQA and expects the plan to have significant environmental benefits to the region. Certain SSMs may use water in scrubbers for air pollution control which would be reviewed in more detail during rule development.

Mr. Burch recognized Dr. David Farley, the District's statistician, who created the multi-pollutant evaluation method and performed the health impacts analysis, which are two of the most innovative aspects of the plan, and Directors, staff and audience members provided applause.

Director Ross referred to Figure 2.7 showing reactive organic gases and trends as of 2006, and the reduction in on-road motor vehicles. He said diesel regulations come into effect in 2014, but there is not much of a dip after that, and he questioned the reason for this. Deputy APCO, Jean Roggenkamp replied, stating the heavy duty diesel regulations will mostly reduce particulate matter and not so much reactive organic gases.

Director Zane questioned impacts of Proposition 23 on the CAP, and Mr. Broadbent indicated that if it passes, staff would look at how it affects what the District currently has on-going with regard to the greenhouse gas program. He noted there are a number of CARB regulatory efforts put into place that would not be affected by Proposition 23, namely Pavley regulations and clean fuel standards. It would; however, impact the Cap and Trade program for stationary sources and the District would identify what its role would be if Proposition 23 passes.

Director Haggerty said he could not locate the asthma map in the report, and requested staff provide him with a copy of it.

The public hearing was opened.

Public Comments:

Bill Quinn, Vice President, California Council for Environmental and Economic Balance (CCEEB), reported CCEEB worked with District staff for some time on the development of the CAP and opposed the FSM which would add a GHG carbon tax. He cited reasons for CCEEB's opposition of the added measure and requested that the Board adopt the CAP without its inclusion.

David Schonbrunn, President of TransDef, requested the Board consider adding to the Statement of Findings, Overriding Considerations and Mitigation Monitoring Program (page 20) the following: "BAAQMD in its role as a member of the Joint Policy Committee, shall encourage MTC to accomplish the maximum possible reductions in future VMT" because the measure identifies that emissions of PM would increase between 2006 and 2035 primarily due to VMT associated with regional population and employment growth. He said this would close the loop and place the District in a strong position of advocacy at the Joint Policy Committee. He also suggested additional rewording (page 19) of the same section to read, "The following mitigation measures are adopted ~~recommended~~ to address the overall cumulative increase in particulate matter emissions." He also noted that Clean Air Plans are due every three years and suggested the District consider starting the process sooner.

Guy Bjerke, Western States Petroleum Association (WSPA) commended the District on its work in development of the CAP, believes the District would be better aimed at working cooperatively with CARB in their adoption of AB32, and said some members support Proposition 23 but WSPA is not taking a position or active role in the campaign. He voiced WSPA's concerns regarding the District's use of the multi-pollutant evaluation methodology and expansion of the methodology into rule-making and other District endeavors, and asked for adoption of the CAP, to remove FSM 18, and to work with their association and other stakeholders should the multi-pollutant evaluation methodology be used in the future.

Rosina Roibal, Bay Area Environmental Health Collaborative (BAEHC), voiced support of the CAP's direction, said they submitted a comment letter in April and asked the Board to direct staff to prioritize making real pollution reductions through enforceable measures during implementation of the CAP. She requested District oversight throughout the CAP implementation for timely rule development, progress reports, language assistance during community outreach, expansion of public comment in hearings, and making information accessible on website and other means.

Azibuike Akaba, Regional Asthma Management Prevention (RAMP), supported the CAP, requested the ability to work with staff to implement additional control measures, believes the PM 2.5 section is not ambitious enough, questioned where the CAP's process integrates with SB 375 in terms of performance measures that address PM 2.5, and he asked that the Indirect Source Rule (ISR) and the Magnet Source Rule, an FSM, be prioritized.

Stacy Gaskins, Green Action, asked that stationary source information on the District's website be updated.

Ken Kloc, BAEHC, said he believes planning goals for PM are too mild, requested a stronger reduction goal, and said he is happy with revised regulations regarding PM emissions and limitations on emissions. He asked that two priority measures be moved forward: PM limitations of Stationary

Source Measure 6 which relates to the generic particulate matter regulation of the District; and, update of the New Source Review Rule, which would fold in considerations of particulate matter.

Marie Harrison, BAEHC, Green Action, and Bayview Hunters Point, thanked the District for their work on the CAP, voiced concerns over the issuance of 240 permits for pollutants in Community Air Risk Evaluation (CARE) communities, and requested the District continue outreach and communication.

Patti Weisselberg, Families for Clean Air, voiced concerns with wood smoke and asked the Board to place a higher priority on reducing wood smoke emissions.

Mr. Broadbent responded to comments, as follows:

1. FSM 18: The District is the first in the country to begin to assess a fee on GHGs and included FSM 18 to separate it out from other measures contained in the CAP. Staff would move forward methodically, as the FSM is only exploratory at this time. He said it makes sense for the Legislative and/or Executive Committees to look at this because there are authority issues that need to be explored. The District would look at collection of a fee that would incentivize reduction of GHGs and provide a revenue stream for control strategies that could be implemented.
2. Multi-Pollutant Evaluation Methodology: The District supports this evaluation methodology to be deployed on a plan level. It helps the District prioritize and set forth the regulatory agenda and it may not make sense to use it on a rule-by-rule basis.
3. Feasibility and Cost Effectiveness must be used in regulating stationary sources: These are very important considerations as part of rule-making and the District follows them closely.
4. Comments from the environmental community regarding prioritizing PM measures: Measures will be brought to the Board of Directors in the first year after the plan is adopted. The District believes that particulate matter is more important than some of the other pollutants in terms of driving the regulatory agenda. Staff will be updating outdated air toxics information regarding stationary sources on the website as part of the new production system roll-out.
5. Community Risk Reduction Plans (CRRPs): Staff is in the process of developing CRRP guidance with the CARE Task Force. Much of the work will be completed at the end of this calendar year or the beginning of next year.
6. How the CAP relates to SB 375: District staff and affected agency boards will work to ensure the CAP and SB 375 measures are complimentary. The Sustainable Communities Strategy (SCS) required under SB 375 will be incorporated into the Regional Transportation Plan (RTP). One performance measure Metropolitan Transportation Commission (MTC) staff presented for discussion was not only a PM reduction target but also the inclusion of a measure for reducing PM impacts in "hot spots" or impacted areas.

Mr. Broadbent said staff is supportive of Mr. Schonbrunn's amendments, and District Counsel Brian Bunker confirmed as to the legality. District staff and the Board briefly discussed using definitive language and potential risk, and Mr. Broadbent urged the Board's adoption of the CAP.

Director Torliatt recognized staff for their work on the plan, as well as the public. She suggested that the current and incoming Board Chairpersons begin work on prioritization of some of the measures and rule-making. She also suggested the Executive Committee discuss prioritizing SSM 6 and update of the New Source Rule for PM, voiced the need to be diligent in CARE areas, and supported amendments by TransDef.

Director Torliatt said she was prepared to make the motion to adopt the CAP.

Director Haggerty cited the amount of work to come, the lack of the District's ability to take on the federal government, and the need to address this issue. Mr. Broadbent agreed and said staff has not been aggressive on the federal sources due mainly to pre-emption issues. He suggested consideration of an FSM and confirmed with the Board that the issue can be reviewed by the Mobile Source and Legislative Committees.

Director Hudson suggested synchronizing the CAP's 3 year cycle with other regional plans to arrive at a standard cycle. He agreed with proposed rewording by TransDef, but voiced opposition to items listed on page 414 of the CAP which propose such things as unbundling of parking and leases, pricing and tax policy, mileage-based vehicle and/or registration and/or license fees, gas tax fees, and pay-as-you-drive insurance. He also voiced opposition to language changes proposed by TransDef. Mr. Broadbent noted such efforts in and around the Bay Area will help in terms of the air quality agenda. Their inclusion serves to identify actions which the District can consider for support.

Director Haggerty requested a call be placed to Steve Heminger of MTC to discuss the proposed language amendments recommended by TransDef. Ms. Roggenkamp stepped out of the meeting to contact Mr. Heminger.

Director Ross thanked the District for the work in development of the plan. He stated on-road vehicles are one of the largest sources of particulate matter, and the nexus of the document shows how important particulate matter is to the health of the Bay Area. He emphasized that the plan is novel and one of the most innovative the country has seen. The CAP is also an important economic document because health care costs can be dramatically reduced.

MOTION: Director Torliatt moved to adopt the CAP and to include language amendments proposed by TransDef; Director Ross seconded the motion.

DISCUSSION: Director Spering referred to compliance costs and related burdens on businesses, requested an explanation of FSMs, and asked to ensure that the plan is vetted with stakeholders. Mr. Broadbent explained that FSMs are identified and incorporated for exploration. A working group will be formed to discuss larger issues that can also discuss the District's legislative authority. He noted that working group members will be identified and the matter will be brought to the entire Board. He said a special Committee of the Board can also be developed, as needed.

Vice Chairperson Bates thanked staff for their excellent work. He cited the level of public outreach and community dialogue, and noted the plan is virtually without opposition. He said there are a number of factors that will take time and legislative action, noted that Proposition 26 is also on the ballot which would require a 2/3 vote for certain fees, and believes it is prudent to move forward. As the incoming Chairperson, he requested staff arrive at a work plan and a rule adoption schedule.

Director Torliatt questioned and clarified with Mr. Bunger that the Board could take separate motions on the FEIR and CAP.

REVISED MOTION: Director Torliatt made a motion to adopt the 2010 Clean Air Plan, as revised, to include FSM 18; Director Ross seconded the motion.

DISCUSSION: Director Zane referred to the language in the CRRP which is contained in the land use section. She asked for the language to be spelled out in terms of how the District would work with counties and cities to make risk assessments, and asked that this be included in the plan. Mr. Broadbent explained that staff is continuing to work on CRRPs and did not yet want this process

prescribed in the CAP. Director Zane added her support of the CARE Task Force, but requested universal application of CRRPs and their objectives.

Ms. Roggenkamp returned to the meeting and announced that she was able to speak with Mr. Heminger, and could read the suggested changes into the record when appropriate.

Director Mar voiced support of the motion to add FSM 18, supported many comments of community speakers, and likes the fact that data shows that the District is saving years of life in cleaning the air. He asked staff to continue to work with community groups in developing the CRRPs, hoped for strong community participation, and thanked staff for their work.

BOARD ACTION: Director Torliatt moved to adopt the 2010 Clean Air Plan, as revised, to include FSM 18; Director Ross seconded the motion; which carried by the following roll call vote (19-0-2-1): Ayes: Bates, Daly, Dunnigan, Garner, Gioia, Groom, Haggerty, Hosterman, Kalra, Klatt, Kniss, Mar, Miley, Ross, Sperling, Torliatt, Yeager, Zane and Wagenknecht. Noes: None. Absent: Brown and Uilkema; Abstain: Hudson.

Ms. Roggenkamp read the following minor language amendments to page 20 as requested by MTC Executive Director, Steve Heminger:

“BAAQMD, in its role as a member of the Joint Policy Committee, shall encourage MTC to accomplish the maximum feasible possible reductions in future VMT per capita, within the context of an overall air quality strategy.”

She noted that Mr. Heminger did not comment on the second set of language changes on page 19, as they do not necessarily pertain to MTC.

MOTION: Director Torliatt made a motion to adopt Resolution No. 2010-09 certifying the Final EIR for the 2010 Clean Air Plan with the following additions: 1) that the following feasible mitigation measure for cumulative particulate matter emissions be added to page 20 of the Statement of Findings, Overriding Considerations and Mitigation Monitoring Program: “BAAQMD, in its role as a member of the Joint Policy Committee, shall encourage MTC to accomplish the maximum feasible possible reductions in future VMT per capita, within the context of an overall air quality strategy”; and 2) to modify language to page 19 of the Statement of Findings, Overriding Considerations and Mitigation Monitoring Program to state, “The following mitigation measures are adopted recommended to address the overall cumulative increase in particulate matter emissions.” Director Hosterman seconded the motion.

DISCUSSION: Director Haggerty clarified with Mr. Bunger that the Clean Air Act requires that the mitigation measures be adopted by the Board, which makes this consistent.

BOARD ACTION: Director Torliatt moved to adopt Resolution No. 2010-09 certifying the Final EIR for the 2010 Clean Air Plan, with the following amendments: 1) that the following feasible mitigation measure for cumulative particulate matter emissions be added to page 20 of the Statement of Findings, Overriding Considerations and Mitigation Monitoring Program: “BAAQMD, in its role as a member of the Joint Policy Committee, shall encourage MTC to accomplish the maximum feasible possible reductions in future VMT per capita, within the context of an overall air quality strategy”; and 2) to modify language to page 19 of the Statement of Findings, Overriding Considerations and Mitigation Monitoring Program be modified to read, “The following mitigation measures are adopted recommended to address the overall cumulative increase in particulate matter emissions.” Director Hosterman seconded the motion, which carried by the following roll call vote

(19-0-3-1): Ayes: Bates, Daly, Garner, Gioia, Groom, Haggerty, Hosterman, Hudson, Kalra, Klatt, Kniss, Mar, Miley, Ross, Sperling, Torliatt, Yeager, Zane, Wagenknecht; Noes: None; Absent: Brown, Dunnigan, and Uilkema.

Adopted (as amended) Resolution No. 2010-09: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Certifying the Environmental Impact Report for the Proposed Bay Area 2010 Clean Air Plan and to Adopt the Bay Area 2010 Clean Air Plan.

Director Haggerty reiterated the need for the District to review the federal program and asked that it be scheduled for discussion at a future Mobile Source Committee meeting

Chairperson Wagenknecht requested a regular progress report be scheduled. On behalf of the Board, he thanked staff, community members, and specifically, former Chairperson Torliatt for her work on the CAP.

Mr. Broadbent recognized specific staff members who worked tirelessly on the Clean Air Plan: David Burch, David Farley, David Vintz, Abby Young, Allison Kirk, Dan Belik, Bill Guy, Todd Gonsalves, Michael Murphy, Henry Hilken, and Jean Roggenkamp.

OTHER BUSINESS

4. Report of the Executive Officer/APCO: Mr. Broadbent gave a summary of the Ozone Season, stating that the District is coming to a close on its smog season and will soon be starting its PM season. He reported the following exceedances:

- a. 2009 Exceedances: 8 National 8-Hour; 11 State 1-Hour; 13 State 8-hour
- b. 2010 Exceedances: 4 National 8-Hour; 3 State 1-Hour; 13 State 5-hour

Mr. Broadbent presented a photograph of the District's new air monitoring station in Cupertino. Director of Technical Services, Eric Stevenson, gave the following report:

- The station is located on Voss and Foothill at Monte Vista Park;
- It is 2.5 miles away from a cement facility;
- Staff began collecting data on September 1, 2010;
- The station is scheduled to operate a minimum of one year and operates in conjunction with two additional stations in Cupertino at Stevens Creek Elementary School and on Stevens Creek Boulevard which collect data on metals and particulate matter

Mr. Stevenson discussed monitoring, and sample collections for analysis of 28 metals, information on total atmospheric mercury, 26 toxic gases, and PM 10. Staff provided information to the Cupertino community through assistance with the City, and information is posted on their City website.

Director Garner thanked the District for the Cupertino station and confirmed with Mr. Stevenson that some of the data is continuous and some is collected on a set schedule in order to conduct laboratory analysis on the 26 toxic gases and metals. She asked that the collection of data and the schedule be forwarded to Directors. Director Torliatt reiterated the need to keep the monitoring schedule confidential.

In conclusion, Mr. Broadbent said Mr. Wee will report on the San Bruno incident, noting that District staff often provides support to first responders.

Director of Compliance and Enforcement, Kelly Wee, reported that San Bruno suffered a massive explosion of a natural gas rupture on September 9, 2010. District staff responded, and observed the plume heading towards the east and down the peninsula, and recommended misting of areas to keep ash from getting airborne and creating air pollution. He said staff is working with CARB staff on air monitoring, and with recovery planners concerns about asbestos debris. He noted that asbestos notification fees and the 10-day prior requirement are being waived to assist homeowners in their recovery process. The District will also be staffing the Community Services Center set up in the area.

5. **Chairperson's Report:** Chairperson Wagenknecht thanked staff and Directors for their time and work with the Clean Air Plan, and said he looks forward to a progress report.
6. **Time and Place of Next Meeting:** Regular Meeting - Wednesday, October 6, 2010, 9:45 a.m., Board Room, 939 Ellis Street, San Francisco, CA 94109
7. **Adjournment:** The Board of Directors meeting adjourned at 11:47 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 27, 2010

Re: Board Communications Received from September 15 through October 5, 2010

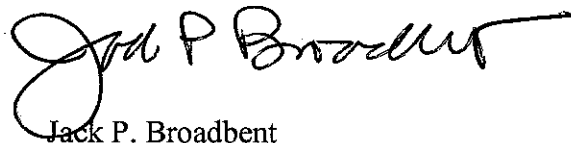
RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from September 15, 2010 through October 5, 2010, if any, will be at each Board Member's place at the October 6, 2010 Board meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack P. Broadbent", with a stylized, flowing script.

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANGEMENT DISTRICT
Memorandum

To: Chair Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the following District personnel have traveled on out-of-state business:

The out-of-state business travel summarized below covers the period from September 1, through September 28, 2010. Out-of-state travel is reported in the month following travel completion.

DISCUSSION

Jim Smith, Senior Public Information Officer, attended IUAPPA World Clean Air Congress in Vancouver, British Columbia, Canada September 12 – 16, 2010


David Burch, Principal Environmental Planner, attended IUAPPA World Clean Air Congress in Vancouver, British Columbia, Canada September 12 – 14, 2010

Jack Broadbent, Executive Office/APCO, attended EPA the 40th Anniversary of the Clean Air Act in Washington, D.C. September 13 – 14, 2010

David Vintze, Air Quality Planning Manager, attended Climate Leadership Academy in Boston, MA September 20 – 22, 2010

Abby Young, Principal Environmental Planner, attended ICLEI Local Action Summit & Technical Advisory Committee Meeting in Washington, DC September 23 – 26, 2010

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Glasser
Reviewed by: Jack M. Colbourn



Linda S. Adams
Secretary for
Environmental Protection

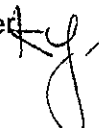
Air Resources Board

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

TO: Members of the Board of Directors

FROM: Honorable Ken Yeager 
Board Member

DATE: October 1, 2010

SUBJECT: QUARTERLY REPORT OF MY ACTIVITIES AS AN AIR RESOURCES
BOARD MEMBER

The list below summarizes my activities as an Air Resources Board member from July 1 through September 30, 2010:

July Activities

19th Air Resources Board Staff Briefings

22nd Air Resources Board Meeting, Sacramento

August Activities

No Air Resources Board meeting in August

September Activities

20th Air Resources Board Staff Briefings

20th Briefing with Air Resources Board staff in preparation for presentation at The Battery Show in San Jose on October 5

23rd Air Resources Board Meeting, Sacramento

Attachments: Public Agendas

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website. <http://www.arb.ca.gov>

California Environmental Protection Agency



LOCATION OF THE MEETING:

Air Resources Board
1001 I Street, 2nd Floor
Byron Sher Auditorium
Sacramento, California 95814

***REVISED (7/19/2010)**

PUBLIC MEETING AGENDA

JULY 22, 2010

WEBCAST

Electronic Board Book

This facility is accessible by public transit.
For transit information, call:
(916) 321-BUSS, website
<http://www.sacrt.com/>
(This facility is accessible to persons with disabilities.)

**TO SUBMIT WRITTEN COMMENTS
ON AN AGENDA ITEM IN ADVANCE
OF THE MEETING GO TO:**

<http://www.arb.ca.gov/lispub/comm/bclist.php>

July 22, 2010

9:00 a.m.

CONSENT CALENDAR:

All items on the consent calendar will be voted on by the Board immediately after the start of the public meeting from the consent calendar by a Board member or if someone in the audience wishes to speak on that item. The following is the consent calendar:

Consent

Item # Agenda Topic

None.

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda

Item #

Agenda Subject/Topic

10-5-3

**Public Meeting to Provide a Status Report on new United States Environmental Protection Agency for Near-Roadway Monitoring of Nitrogen Dioxide
(THIS ITEM WAS RESCHEDULED FROM THE MAY 27, 2010 BOARD MEETING)**

Staff will present to the Board information on new near-roadway monitoring requirements that were adopted earlier this year by the United States Environmental Protection Agency.

More Information

Staff Presentation

- 10-7-1** ***THIS ITEM HAS BEEN POSTPONED UNTIL THE SEPTEMBER 23, 2010 BOARD MEETING**
Public Hearing to Consider Adoption of a Proposed Regulation for a California Renewable Energy
Staff will present to the Board a proposed regulation to implement the California Renewable Energy
More Information

- 10-7-2** **Public Hearing to Consider Adoption of a Proposed Regulation for Energy Efficiency and**
Assessment of Large Industrial Facilities
Staff will present to the Board a proposed regulation requiring large industrial facilities to provide energy usage, emissions, potential energy efficiency improvement projects, and greenhouse benefits if the identified improvement projects were implemented.
More Information Staff Presentation

- 10-7-3** **Public Meeting to Update the Board on the Western Climate Initiative**
Staff will update the Board on progress in the Western Climate Initiative regional greenhouse program.
Staff Presentation

CLOSED SESSION – LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), at the advice from, its legal counsel regarding the following pending or potential litigation:

Pacific Merchant Shipping Association v. Goldstene, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-cv-02234-LJO-DLB.

American Trucking Associations, et al. v. U.S. Environmental Protection Agency, et al., U.S. District Court of Columbia Circuit, Case No. 09-1090.

POET, LLC, et al. v. Goldstene, et al., Superior Court of California (Fresno County), Case No. 09-1090.

Rocky Mountain Farmers Union, et al. v. Goldstene, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-cv-02234-LJO-DLB.

National Petrochemical & Refiners Association, et al. v. Goldstene, et al., U.S. District Court, Case No. 1:10-cv-00163-AWI-GSA.

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:



LOCATION OF THE MEETING:

Air Resources Board
1001 I Street, 2nd Floor
Byron Sher Auditorium
Sacramento, California 95814

**PUBLIC MEETING
AGENDA**

SEPTEMBER 23, 2010

WEBCAST

This facility is accessible by public transit.

For transit information, call:

(916) 321-BUSS, website

<http://www.sacrt.com/>

(This facility is accessible to persons with disabilities)

**TO SUBMIT WRITTEN COMMENTS
ON AN AGENDA ITEM IN ADVANCE
OF THE MEETING GO TO:**

<http://www.arb.ca.gov/lispub/comm/bclist.php>

September 23, 2010

9:00 a.m.

CONSENT CALENDAR:

All items on the consent calendar will be voted on by the Board immediately after the start of the public meeting. Any item may be removed from the consent calendar by a Board member or if someone in the audience wishes to speak on that item. The following item is on the consent calendar:

Consent Item #

Agenda Topic

None.

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

Agenda Subject/Topic

10-8-1

Public Meeting to Hear a Staff Presentation on the San Joaquin Valley Agricultural Burning Rule

At the May 27, 2010 Board meeting, ARB concurred with the exemptions in the San Joaquin Valley's agricultural burn rule. At that meeting ARB staff indicated that an informational presentation would be made at the September Board to report back on the planned legislative hearing on this topic.

More Information

10-8-2

Public Meeting to Consider Adoption of Proposed Regional Greenhouse Gas Emission Reduction Targets for Automobiles and Light Trucks Pursuant to Senate Bill 375

Senate Bill 375 (Steinberg, Chapter 728, Statutes of 2008) directs ARB to set emission reduction targets for use by California's Metropolitan Planning Organizations in Regional Transportation Plan development. Staff will present to the Board recommendations for regional passenger vehicle greenhouse gas emission reduction targets for 2020 and 2035.

More Information Staff Presentation

10-7-1

Public Hearing to Consider Adoption of a Proposed Regulation for a California Renewable Electricity Standard

Staff will present to the Board a proposed regulation to implement the California Renewable Electricity Standard. The Standard will require the State's electric utilities to serve 33% of their customer electricity demands with renewable energy resources by 2020. This item was originally set for consideration at the July 2010 Board meeting.

More Information Staff Presentation

10-8-3

Public Meeting To Update the Board on the Implementation of the AB 32 Scoping Plan

(Due to the lack of time, this item was not heard.)

Staff will update the Board on implementation of the Scoping Plan measures and other climate change program activities.

More Information Staff Presentation

CLOSED SESSION – LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

Pacific Merchant Shipping Association v. Goldstene, U.S. District Court (E.D. Cal. Fresno), Case No. 2:09-CV-01151-MCE-EFB.

American Trucking Associations, et al. v. U.S. Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 09-1090

POET, LLC, et al. v. Goldstene, et al., Superior Court of California (Fresno County), Case No. 09CECG04850

Rocky Mountain Farmers Union, et al. v. Goldstene, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-cv-02234-LJO-DLB.

National Petrochemical & Refiners Association, et al. v. Goldstene, et al., U.S. District Court (E.D. Cal. Fresno) Case No. 1:10-cv-00163-AWI-GSA.

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: Report of the Mobile Source Committee Meeting of September 23, 2010

RECOMMENDED ACTIONS

The Committee recommends Board of Directors:

A) Consideration of Projects with Proposed Grant Awards Over \$100,000:

1. Approve the Carl Moyer Program (CMP) 2009/2010 and Transportation Fund for Clean Air (TFCA) fiscal year (FY) 2009/2010 projects with proposed grant awards over \$100,000;
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program and TFCA FY 2009/2010 projects.

B) Update on the California Goods Movement Bond (I-Bond) Truck Program:

1. Adopt Resolution allowing the Executive Office/APCO to execute all necessary contracts with the California Air Resources Board (ARB) to accept up to an additional \$700,000 in reallocated I-Bond funding for On-road truck projects.

C) Update on Bicycle Programs:

1. Approve the allocation of \$1.4 Million in TFCA Regional Funds from FY 09/10 to support a pilot Bicycle Share Program.

BACKGROUND

The Mobile Source Committee met on Thursday, September 23, 2010. The Committee received and considered the following reports and recommendations:

- A) Consideration of Projects with Proposed Grant Awards Over \$100,000;
- B) Update on the California Goods Movement Bond (I-Bond) Truck Program;
- C) Update on Bicycle Programs

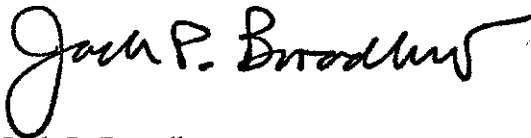
Attached are the staff reports presented in the Mobile Source Committee packet.

Chairperson, Scott Haggerty will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. Through the CMP, TFCA and Mobile Source Incentive Fund the Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.
- B) Accepting the additional \$700,000 in funding from Year 1 of the I-Bond program would require an amendment to the FY 2010/2011 budget. However, as this funding is supplied with additional administrative costs, there will be no increased burden on the FY 2010/2011 budget. With Board approval and upon receipt of this funding, staff will refer the budget amendment to the Board's Budget and Finance Committee.
- C) None. The Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for the TFCA program are provided by the funding source.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Reviewed by: Jennifer C. Cooper

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 14, 2010

Re: Consideration of Projects with Proposed Grant Awards Over \$100,000

RECOMMENDATIONS:

Recommend Board of Directors consider:

1. Approval of the Carl Moyer Program 2009/2010 and TFCA FY 2009/2010 projects with proposed grant awards over \$100,000.
2. Authorization for the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program and TFCA FY 2009/2010 projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area as authorized by the California State Legislature. The statutory authority

for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

On March 17, 2010, the Board of Directors authorized Air District participation in Year 12 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000. On November 18, 2009, the Air District Board of Directors authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA funds, with individual grant award amounts up to \$100,000.

CMP and TFCA projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Air District's Board of Directors.

DISCUSSION

Carl Moyer Program:

The Air District started accepting applications for CMP Year 12 projects on May 3, 2010. The Air District has approximately \$19 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of September 9, 2010, the Air District had received 38 project applications. Of the applications that have been evaluated between June 11, 2010, and September 9, 2010, five eligible projects have proposed individual grant awards over \$100,000. These projects will replace three off-road loaders, four agricultural tractors, and nine stationary agricultural irrigation pumps, which will result in the reduction of 7.8 tons of NO_x, ROG and PM per year. Staff recommends allocating \$649,536 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these five projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of September 9, 2010, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded to date. More than 30% of the funds have been awarded to projects that reduce surplus emissions in highly impacted Bay Area communities.

TFCA:

For FY 09/10, the Air District allocated up to \$11.6 million for eligible Shuttle and Ridesharing, Bicycle, Alternative Fuel Vehicle and Infrastructure, and Advanced Technology Demonstration projects. Project applications are accepted and evaluated on a first-come, first-served basis.

As of September 9, 2010, the Air District had received more than 78 project applications for TFCA Regional Funds. Of the applications that have been evaluated between June 15, 2010, and September 9, 2010, one eligible project has a proposed individual grant award over \$100,000. This project (Project #: 09R61) was proposed by the Oakland Institute of Automotive

Technology to demonstrate the conversion and performance of one (1) heavy-duty diesel vehicle to a heavy-duty electric vehicle. The project will result in the reduction of more than 0.19 tons of NOx, ROG and PM per year. Staff recommends awarding \$123,437 to this advanced technology demonstration project from TFCA Regional Fund revenues, as described in Attachment 3.

Attachment 4 lists all the FY 09/10 TFCA Regional Fund projects that have been awarded funding as of September 9, 2010. Attachment 4 also summarizes the allocation of funding by equipment category (Figure 3), and county (Figure 4).

More than 32% of the TFCA funds allocated to eligible projects have been awarded to projects that reduce surplus emissions in highly impacted Bay Area communities.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF and TFCA, the Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,



Jack P. Broadbent
Executive Director/APCO

Prepared by: Karen Schkolnick and Anthony Fournier

Reviewed by: Damian Breen

Attachment 1: Recommended CMP projects with individual grant awards greater than \$100,000

Attachment 2: Summary of all eligible CMP projects as of 9/9/10

Attachment 3: Recommended FY 09/10 TFCA Regional Fund projects with individual grant awards greater than \$100,000 as of 9/9/10

Attachment 4: Summary of FY 09/10 TFCA Regional Fund approved projects as of 9/9/10

Attachment 1:

BAAQMD Year 12 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k
(Evaluated between 6/11/2010 and 9/9/2010)

Project #	Applicant name	Equipment category		Proposed contract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
12MOY4	Andy Poncia (fertilizer/farm support)	Off-road	The replacement of one (1) off-road diesel powered loader.	\$ 115,887.00	0.790	0.133	0.040	Sonoma
12MOY18	Don Moreda JR. (dairy)	Off-road	The replacement of one (1) off-road diesel powered loader.	\$ 115,900.00	0.318	0.087	0.035	Sonoma
12MOY19	Skalli Corporation DBA St. Supery	Agriculture	The repower of nine (9) agricultural irrigation pump engines.	\$ 187,170.00	4.396	0.528	0.156	Napa
12MOY22	ST Francis Winery & Vineyards	Off-road	The replacement of four (4) off-road diesel powered tractors.	\$ 122,062.00	0.412	0.086	0.030	Sonoma
12MOY26	Gerald & Kristy Spaletta (dairy)	Off-road	The replacement of one (1) off-road diesel powered loader.	\$ 108,517.00	0.645	0.110	0.033	Sonoma
				\$ 649,536.00	6.561	0.944	0.293	

Attachment 2

Table 1: Summary of all CMP Yr 12/ MSIF approved projects (5/3/10 to 9/9/10)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
12MOY2	Agriculture	Engine repower	3	\$ 57,831.00	Nichelini Vineyards, LLC	0.648	0.078	0.021	APCO	Napa
12MOY8	Off-road	Equipment replacement & retrofit	1	\$ 201,620.00	Evergreen Supply	1.556	0.185	0.075	8/4/2010	Santa Clara
12MOY11	Off-road	Equipment replacement	2	\$ 43,833.00	Domenico J. Carinalli, Jr. (farmer)	0.141	0.047	0.015	APCO	Sonoma
12MOY5	Agriculture	Engine repower	1	\$ 33,750.00	Carpenter Ranchs Inc	0.542	0.079	0.022	APCO	Napa
12MOY6	Agriculture	Engine repower	1	\$ 28,163.00	Vimark Inc.	0.218	0.027	0.008	APCO	Sonoma
12MOY18	Off-road	Equipment replacement	1	\$ 115,900.00	Don Moreda JR. (dairy)	0.318	0.087	0.035	Board	Sonoma
12MOY7	Agriculture	Engine repower	1	\$ 21,179.00	Beard Family Vineyards	0.223	0.030	0.009	APCO	Napa
12MOY4	Off-road	Equipment replacement	1	\$ 115,887.00	Andy Poncia (fertilizer/farm support)	0.790	0.133	0.040	Board	Sonoma
12MOY10	Off-road	Equipment replacement	1	\$ 39,868.00	Daniel H. Evans (farmer)	0.227	0.041	0.011	APCO	Marin
12MOY19	Agriculture	Engine repower	9	\$ 187,170.00	Skalli Corporation DBA St. Supery	4.396	0.528	0.156	Board	Napa
12MOY26	Off-road	Equipment replacement	1	\$ 108,517.00	Gerald & Kristy Spaletta (dairy)	0.645	0.110	0.033	Board	Sonoma
12MOY28	Off-road	Equipment replacement	2	\$ 69,940.00	Terrilinda Dairy	0.468	0.085	0.022	APCO	Sonoma
12MOY22	Off-road	Equipment replacement	4	\$ 122,062.00	ST Francis Winery & Vineyards	0.412	0.086	0.030	Board	Sonoma
12MOY9	Off-road	Equipment replacement	1	\$ 31,260.00	Deniz Dairy	0.379	0.068	0.018	APCO	Sonoma
VIP2	VIP	Truck replacement	1	\$ 35,000.00	C. Hill Trucking	0.366	0.014	0.658	APCO	Alameda
VIP7	VIP	Truck replacement	1	\$ 35,000.00	David Bianchi Inc.	0.366	0.014	0.658	APCO	Sonoma
VIP10	VIP	Truck replacement	1	\$ 35,000.00	Donald Lopez	0.366	0.014	0.658	APCO	Alameda
VIP11	VIP	Truck replacement	1	\$ 35,000.00	Leyvas Transport	0.366	0.014	0.658	APCO	Monterey
VIP15	VIP	Truck replacement	1	\$ 35,000.00	Maddocks Construction Inc.	0.366	0.014	0.658	APCO	Sonoma
VIP16	VIP	Truck replacement	1	\$ 35,000.00	Northern Truck & Equipment	0.366	0.014	0.658	APCO	Alameda
VIP17	VIP	Truck replacement	1	\$ 30,000.00	Chahal Trucking	0.294	0.008	0.265	APCO	Alameda
VIP18	VIP	Truck replacement	1	\$ 30,000.00	Mann Transp	0.294	0.008	0.265	APCO	Alameda
VIP19	VIP	Truck replacement	1	\$ 40,000.00	Farlain Trucking	0.354	0.014	0.032	APCO	Sonoma
VIP20	VIP	Truck replacement	1	\$ 30,000.00	C & G Trucking	0.383	0.010	0.017	APCO	Stanislaus
VIP21	VIP	Truck replacement	1	\$ 35,000.00	Arrow Trucking	0.442	0.012	0.020	APCO	Alameda
VIP22	VIP	Truck replacement	1	\$ 35,000.00	VJ Trucking	0.305	0.012	0.027	APCO	Contra Costa
VIP23	VIP	Truck replacement	1	\$ 35,000.00	Dhindsa Trucking	0.305	0.012	0.027	APCO	Alameda
VIP24	VIP	Truck replacement	1	\$ 35,000.00	Trent McGrew Trucking	0.305	0.012	0.027	APCO	Shasta
VIP26	VIP	Truck replacement	1	\$ 20,000.00	Gary S. Petersen	0.288	0.007	0.010	APCO	Sonoma
VIP27	VIP	Truck replacement	1	\$ 30,000.00	GS Trucking	0.436	0.011	0.015	APCO	Alameda
30 Projects			45	\$ 1,706,980.00		16.566	1.775	5.146		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 9/9/10

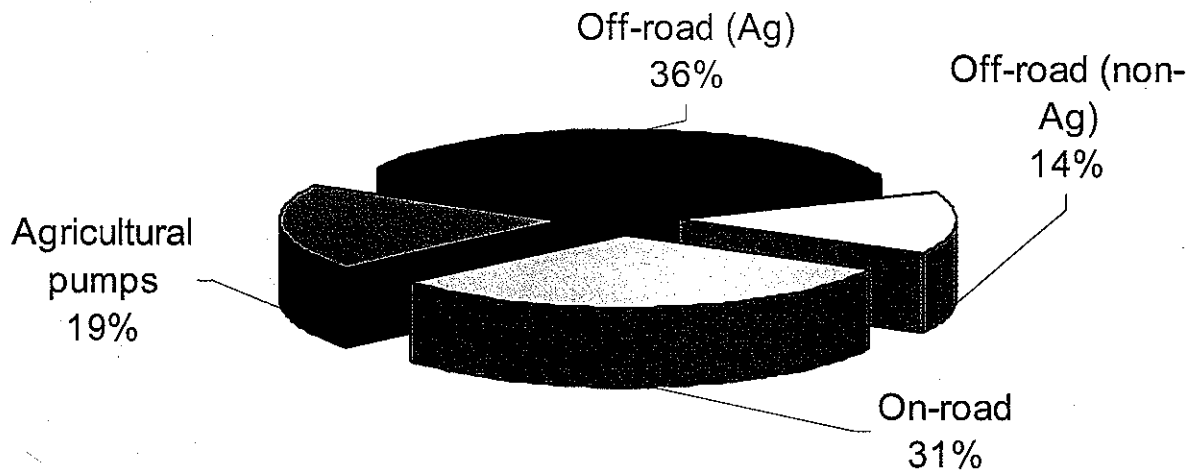
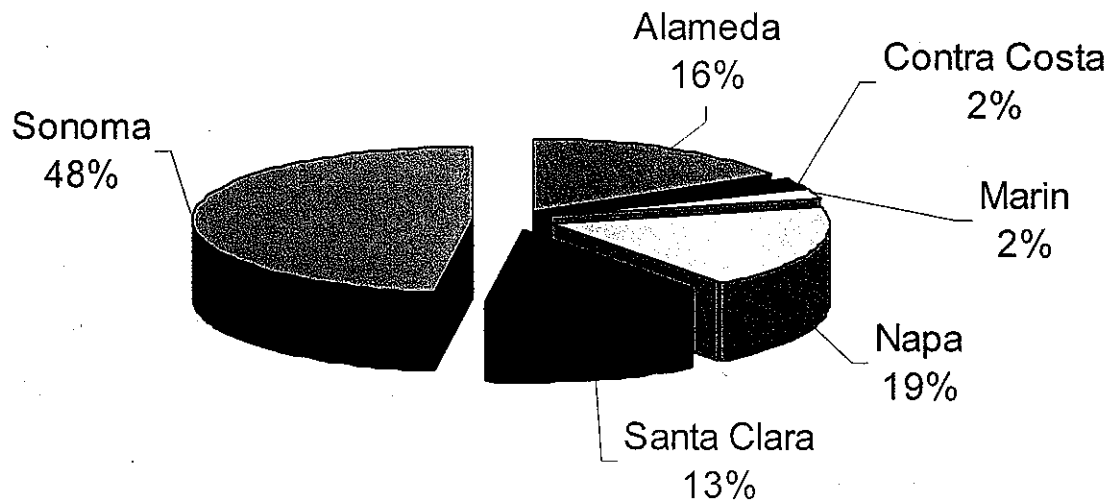


Figure 2: CMP/ MSIF Funding Distribution by County as of 9/9/10



ATTACHMENT 3: Recommended FY 09/10 TFCA Regional Fund Projects with Grant Awards Greater Than \$100,000 (as of 9/9/10)

Project #	Project Sponsor	Project Title and Type	TFCA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	C/E	Score	AB 1390 Designation	County
09R61	Oakland Institute of Automotive Technology	Convert (1) Heavy Duty Diesel Vehicle to a Heavy Duty Electric Vehicle (EV)	\$ 123,437	78.93	0.18	0.01	0.00	\$ 149,975	66%	AB 1390	Alameda

ATTACHMENT 4: Summary of FY 09/10 TFCA Approved Projects (as of 9/9/10)

Project #	Project Sponsor	Project Title	TFCA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	Score %	Board Approval Date	County	Project Type
09BFP01	City of Oakland	Class II and III Bikeways on E. 12th Street	\$ 10,500	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP02	City of Oakland	Class II and III Bikeways on 14th Street, MacArthur Boulevard, and Fruitvale Avenue	\$ 57,000	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP03	City of Daly City	Southgate Avenue Class II Bicycle Lane Gap Closure	\$ 25,500	n/a	n/a	n/a	n/a	n/a	APCO	San Mateo	Bike
09BFP04	City of Petaluma	Class III Bicycle Routes in Petaluma	\$ 103,311	n/a	n/a	n/a	n/a	n/a	APCO	Sonoma	Bike
09BFP05	City of San Carlos	Class III Bicycle Route on Old County Road	\$ 18,150	n/a	n/a	n/a	n/a	n/a	APCO	San Mateo	Bike
09BFP06	City of San Jose	San Jose Citywide Bicycle Racks Installation	\$ 14,880	n/a	n/a	n/a	n/a	n/a	APCO	Santa Clara	Bike
09BFP10	City of Santa Rosa Department of Public Works	Class II Bicycle Lane on Coffey Lane	\$ 23,100	n/a	n/a	n/a	n/a	n/a	APCO	Sonoma	Bike
09BFP12	San Francisco Municipal Transportation Agency	San Francisco Citywide Bicycle Racks Installation	\$ 84,000	n/a	n/a	n/a	n/a	n/a	APCO	San Francisco	Bike
09BFP13	San Francisco Municipal Transportation Agency	Class II Bicycle Lane on John Muir Drive	\$ 66,900	n/a	n/a	n/a	n/a	n/a	APCO	San Francisco	Bike
09BFP15	San Francisco Municipal Transportation Agency	Class II Bicycle Lane on Great Highway/Point Lobos Avenue	\$ 15,300	n/a	n/a	n/a	n/a	n/a	APCO	San Francisco	Bike
09BFP16	Alameda County Public Works Agency	Class II Bicycle Lane on Greenville Road	\$ 30,000	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP17	Alameda County Public Works Agency	Class II Bicycle Lane on Marina Avenue	\$ 85,000	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP18	Alameda County Public Works Agency	Class II Bicycle Lane on Foothill Boulevard	\$ 67,859	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09R05	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	\$ 960,000	7,242.80	6.09	5.32	3.68	79%	10/7/09	Santa Clara	S-RS
09R06	San Joaquin Regional Rail Commission	ACE Shuttle - Route 54	\$ 50,000	950.10	0.71	0.75	0.51	77%	10/7/09	Alameda	S-RS
09R07	San Joaquin Regional Rail Commission	ACE Shuttle - Route 53	\$ 44,000	318.00	0.31	0.27	0.18	65%	10/7/09	Alameda	S-RS
09R08	Metropolitan Transportation Commission	511 Rideshare Program	\$ 1,050,000	29,410.00	24.75	22.29	14.88	84%	10/7/09	9 County	S-RS
09R09	Livermore Amador Valley Transit Authority	Route 1A/B BART Shuttle	\$ 59,750	143.80	0.23	0.24	0.11	60%	10/7/09	Alameda	S-RS
09R10	Associated Students, San Jose State University	SJSU Ridesharing and Trip Reduction	\$ 120,000	1,213.70	1.07	1.02	0.62	79%	10/7/09	Santa Clara	S-RS
09R11	Peninsula Corridor Joint Powers Board	Caltrain Shuttle	\$ 1,000,000	5,811.30	4.62	4.90	3.04	76%	10/7/09	San Mateo	S-RS
09R12	City of Redwood City	Redwood City Commuter Shuttle	\$ 15,000	142.00	0.11	0.10	0.07	93%	10/7/09	San Mateo	S-RS
09R13	San Francisco General Hospital	SFGH Pilot Shuttle	\$ 50,122	416.80	0.44	0.41	0.24	94%	10/7/09	San Francisco	S-RS
09R14	City of Oakland	Oakland Waterfront - Uptown Pilot Shuttle	\$ 498,500	1,980.40	1.80	1.75	1.01	85%	10/7/09	Alameda	S-RS
09R15	Clean Energy	Liquefied Natural Gas Station	\$ 200,000	28.40	0.30	0.02	-	69%	2/3/10	Alameda	Alt Fuel
09R16	County of Santa Clara	Compressed Natural Gas Station & (3) CNG Sedans	\$ 204,105	36.15	0.29	0.03	-	67%	2/3/10	Santa Clara	Alt Fuel

Project Types: S-RS = Shuttle Rideshare, Alt Fuel = Alternative Fuel Vehicle and Infrastructure, Bike = Bicycle Facility, ATD = Advanced Technology Demonstration

ATTACHMENT 4: Summary of FY 09/10 TFCFA Approved Projects (as of 9/9/10)

Project #	Project Sponsor	Project Title	TFCFA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	Score %	Board Approval Date	County	Project Type
09R17	Santa Clara Valley Industries	(11) Compressed Natural Gas Refuse Trucks	\$ 275,000	46.22	2.20	-	-	71%	6/2/10	Santa Clara	Alt Fuel
09R18	County of Santa Clara	(1) Compressed Natural Gas Security Transfer Bus	\$ 36,000	20.69	0.08	-	-	77%	APCO	Santa Clara	Alt Fuel
09R19	Livermore Sanitation	(3) Compressed Natural Gas Refuse Trucks	\$ 73,497	20.50	0.23	-	-	74%	APCO	Alameda	Alt Fuel
09R20	Mission Trail Waste Systems	(23) Compressed Natural Gas Refuse Trucks	\$ 426,503	171.05	3.84	1.92	-	75%	2/3/10	Santa Clara	Alt Fuel
09R21	Oakland Port Services Corp., dba AB Trucking	(6) Natural Gas Port Trucks	\$ 297,000	97.95	1.10	-	-	71%	2/3/10	Alameda	Alt Fuel
09R22	Sonoma County Transit	(2) Compressed Natural Gas Transit Buses	\$ 80,000	62.57	0.58	-	-	81%	APCO	Sonoma	Alt Fuel
09R23	South SF Scavenger, INC	(4) Compressed Natural Gas Refuse Trucks	\$ 80,000	24.87	0.28	-	-	76%	APCO	San Mateo	Alt Fuel
09R24	UC Davis Fleet	(1) Compressed Natural Gas Bus	\$ 41,350	10.93	0.09	-	-	61%	APCO	ALA, CC, SOL	Alt Fuel
09R25	WM of Alameda County, Inc.	(31) Compressed Natural Gas Refuse Trucks	\$ 500,000	683.35	8.40	-	-	91%	2/3/10	Alameda	Alt Fuel
09R26	Yellow Cab/Clean Energy Finance	(25) Compressed Natural Gas Taxis	\$ 75,000	-	0.11	0.19	-	82%	APCO	San Francisco	Alt Fuel
09R27	Breathe California for Silicon Valley Clean Cities	US Department of Energy - Clean Cities Coalition Outreach (SV)	\$ 25,000	9.72	0.04	0.02	-	72%	APCO	9 County	Alt Fuel
09R28	East Bay Clean Cities Coalition	US Department of Energy - Clean Cities Coalition Outreach (EB)	\$ 25,000	9.72	0.04	0.02	-	72%	APCO	9 County	Alt Fuel
09R29	SF Environment	US Department of Energy - Clean Cities Coalition Outreach (SF)	\$ 25,000	18.93	0.13	0.02	-	72%	APCO	9 County	Alt Fuel
09R30	Better Place	(30) Electric Vehicle Charge Points	\$ 30,000	101.31	0.00	0.00	0.00	77%	APCO	Santa Clara	Alt Fuel
09R31	City of Palo Alto	(6) Electric Vehicle Charge Spots	\$ 12,000	20.26	0.00	0.00	0.00	68%	APCO	Santa Clara	Alt Fuel
09R32	City & County of San Francisco	(60) Electric Vehicle Charge Spots	\$ 100,000	202.62	0.03	0.04	0.01	84%	APCO	San Francisco	Alt Fuel
09R33	City of Santa Rosa	(14) Plug-in Hybrid Electric Vehicle Conversions & (20) Electric Vehicle Charge Points	\$ 45,811	10.54	0.00	0.00	0.00	71%	APCO	Sonoma	Alt Fuel
09R35	County of Santa Clara	(40) Electric Vehicle Charge Points	\$ 85,720	135.08	0.02	0.03	0.00	75%	APCO	Santa Clara	Alt Fuel
09R36	County of Sonoma	(30) Plug-in Hybrid Electric Vehicle Conversions & Electric Vehicle Charge Points	\$ 81,173	35.89	0.00	0.00	0.00	69%	APCO	Sonoma	Alt Fuel
09R37	County of Alameda	(15) Hybrid Vehicles & (4) NEV	\$ 43,816	2.29	0.01	0.02	0.00	66%	APCO	Alameda	Alt Fuel
09R39	County of Alameda	(40) Electric Vehicle Charge Points	\$ 84,760	135.07	0.02	0.03	0.00	72%	APCO	Alameda	Alt Fuel
09R40	Friendly Cab	(20) Ford Escape Hybrids	\$ 80,000	220.66	0.04	0.06	0.01	81%	APCO	Alameda	Alt Fuel
09R41	City of Palo Alto	(1) Medium Duty Vehicle	\$ 16,000	-	0.00	0.00	0.00	60%	APCO	San Mateo	Alt Fuel
09R42	City of Palo Alto	(1) Heavy Duty Vehicle Purchase	\$ 77,000	4.40	0.12	0.00	-	60%	APCO	San Mateo	Alt Fuel

Project Types: S-RS = Shuttle Rideshare, Alt Fuel = Alternative Fuel Vehicle and Infrastructure, Bike = Bicycle Facility, ATD = Advanced Technology Demonstration

ATTACHMENT 4: Summary of FY 09/10 TFCFA Approved Projects (as of 9/9/10)

Project #	Project Sponsor	Project Title	TFCA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	Score %	Board Approval Date	County	Project Type
09R43	East Bay Regional Parks	(3) Medium Duty Vehicle Purchase	\$ 24,400	-	0.00	-	0.00	68%	APCO	San Mateo	Alt Fuel
09R44	Pacific Gas & Electric	(46) E-PTO Hybrid Utility Trucks Demonstration	\$ 403,803	1,011.88	0.84	0.02	0.01	76%	6/2/10	Contra Costa	ATD
09R45	Devine Intermodal	(1) Heavy Duty Vehicle Purchase - Hydrogen	\$ 96,723	146.68	0.19	0.01	0.00	71%	APCO	Alameda	ATD
09R46	City of Berkeley	Berkeley Transit Action Plan	\$ 100,000	1,681.60	1.20	1.15	0.85	79%	APCO	Alameda	S-RS
09R47	University of California Berkeley UCB Transportation Sustainability Research Center TSRC	TSRC Richmond High-Pressure Hydrogen Fueling Facility and Fuel-Cell-Vehicle Demo	\$ 99,900	267.03	0.01	0.01	0.00	79%	APCO	Alameda	ATD
09R48	OptaMotive Systems, LLC	OptaMotive EV Systems Demonstration	\$ 95,000	46.29	0.00	0.00	0.00	63%	APCO	Santa Clara	ATD
09R49	City CarShare	New Plug In 10kwh conversion	\$ 27,600	110.55	0.00	0.00	0.00	62%	APCO	San Francisco	ATD
09R50	Better Place	Zero Emission Electric Taxi Project	\$ 470,000	1,179.21	0.05	0.07	0.01	70%	8/4/10	Santa Clara	ATD
09R51	Priority Parking	(10) Electric Vehicle Charging Spots	\$ 21,390	236.39	0.01	0.01	0.00	66%	APCO	San Francisco	Alt Fuel
09R52	ProPark	(20) Charging stations	\$ 42,730	472.78	0.01	0.01	0.00	82%	APCO	ALA, SF	Alt Fuel
09R53	Triad Campus IV LLC	(5) Electric Vehicle Charging Spots	\$ 10,000	118.19	0.00	0.00	0.00	66%	APCO	Alameda	Alt Fuel
09R54	Citrix	(6) Charging Points	\$ 12,000	141.83	0.00	0.00	0.00	70%	APCO	Santa Clara	Alt Fuel
09R55	City of Redwood	(14) Charge Spots	\$ 20,000	330.94	0.01	0.01	0.00	88%	APCO	San Mateo	Alt Fuel
09R56	Best Buy	(50) Charging Stations	\$ 89,073	1,181.94	0.03	0.04	0.01	85%	APCO	MAR, ALA, SC, SF	Alt Fuel
09R57	Donnelly Kerley	(20) Charging Station	\$ 33,150	472.78	0.01	0.01	0.00	71%	APCO	San Mateo	Alt Fuel
09R58	SAP	(16) Electric Vehicle Charging Spots	\$ 32,000	378.22	0.01	0.01	0.00	72%	APCO	Santa Clara	Alt Fuel
09R59	McDonalds	(54) Electric Vehicle Charging Spots	\$ 98,004	1,276.50	0.03	0.04	0.01	83%	APCO	ALA, CC	Alt Fuel
09R60	350 Green	(12) Electric Vehicle Charge Spots and (6) DC Fast Chargers	\$ 99,996	1,403.40	0.04	0.05	0.01	69%	APCO	SF, SM, SC	Alt Fuel
Total			\$ 9,244,376	52,578.21	60.32	40.62	25.23				

Figure 3: FY 09/10 TFCA Funds Awarded - By County *

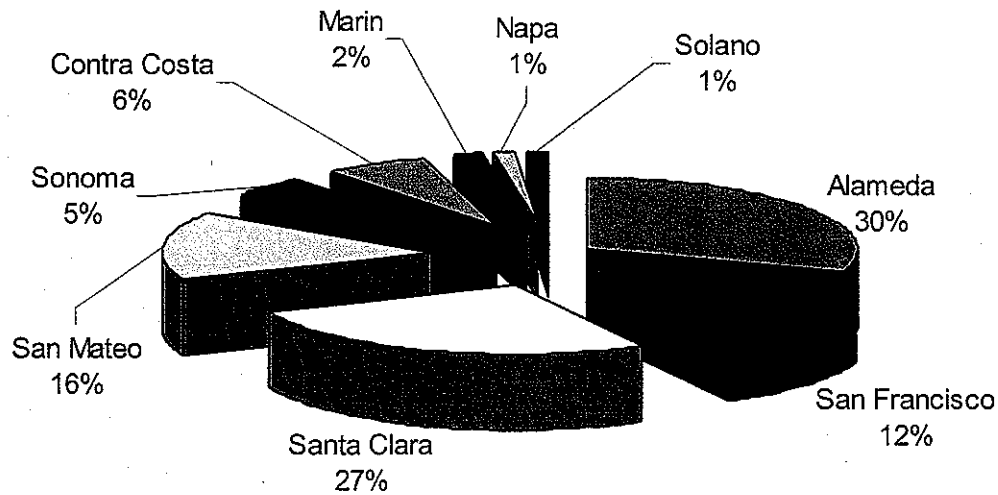
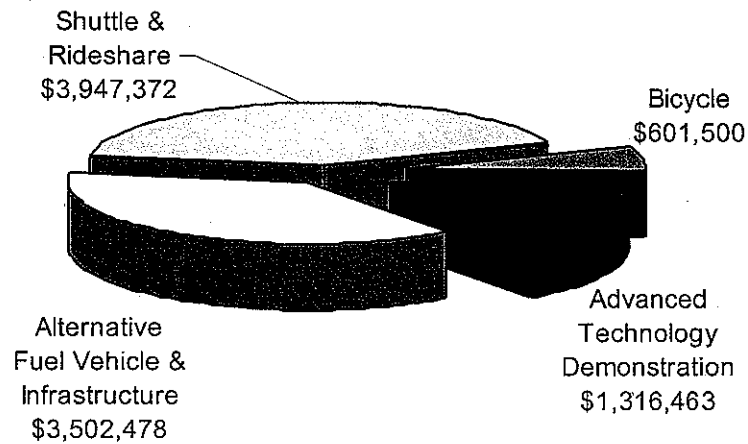


Figure 4: FY 09/10 TFCA Funds Awarded - By Project Type **



*Advanced Technology Demonstration projects have a cost-effectiveness threshold of \$500,000/ton of criteria pollutants reduced

** Includes all projects listed in Attachments 3 and 4

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 14, 2010

Re: Update on the California Goods Movement Bond (I-Bond) Truck Program

RECOMMENDED ACTION:

Staff is requesting that the Committee recommend to the Board of Directors (Board):

- Approval of a resolution allowing the Executive Office/APCO to execute all necessary contracts with the California Air Resources Board (ARB) to accept up to an additional \$700,000 in reallocated I-Bond funding for On-road truck projects.

BACKGROUND

For Year 1 of the I-Bond program, the Bay Area Air Quality Management District (Air District) received \$35 million in funding. The majority of this initial allocation has been designated for the retrofit and replacement of trucks. The following table provides the current allocations of Year 1 I-Bond funding:

Table 1 -Summary of Year 1 I-Bond Allocations

Project Type	Funding requested
Trucks at Ports and Intermodal Railyards*	\$13.7 million
On-road Goods Movement Trucks*	\$17.4 million
Shore-power – APL Oakland	\$3.4 million
Administration	\$1.5 million
Total	\$35 million

*retrofits and replacements

As part of this report, staff will update the committee on the success of the Port truck program, current efforts being undertaken as part of the On-road truck program and the availability of additional reallocated I-Bond funding to the Air District.

DISCUSSION

Drayage Truck Emissions Reduction Program

In May 2009, the Air District launched its port truck emissions reduction program with the goal of retrofitting and replacing 1,000 trucks at the Port of Oakland (Port). Since that time, Air District staff has been faced with numerous challenges including shifting programmatic deadlines, unavailability of state funds, administering and meeting the extensive requirements of the four sets of funding associated with \$25 million raised for the program, and lastly, a number of last-minute changes to expand the scope and

objectives of the program. On August 31, 2010, staff processed the final payments for the program ending the initial phase of its execution. As of that date, the program had retrofitted or replaced 1,521 trucks (1,318 retrofits and 203 replacements).

Additionally, emissions in excess of 0.03 tons per day in toxic diesel particulate matter (DPM) have been reduced by this program. Annually, this represents a reduction of 14 tons of DPM per year or 82% of the annual emissions reported by the Port as part of its 2005 inventory for drayage trucks. These figures have been borne out by the Air District's enforcement program at the Port which has identified greater than 95% compliance rate with the ARB's drayage truck regulation via their inspection activities.

Program Costs

While this program has had excellent results, they have not come without significant costs and administrative challenges to the Air District. In order to meet the extensive requirements of this program staff has committed over 24,000 person-hours (including over 500 overtime hours) and \$1.9 million to ensure the successful execution of the program. The scale of this commitment dwarfs the entire sum of the administrative commitment to all of the other Air District grants programs and has required delays in the rollout of the Year 1 On-Road Truck Program.

Additionally, there are two more phases of this program still to go, specifically reporting and project closeout. The administrative costs of this program will increase. Staff is currently discussing with ARB how to budget for these costs based on the requirements of the I-Bond program.

On-road Truck Program

Air District staff launched the On-Road Truck Program on September 1, 2010, by notifying approximately 800 eligible grantees from the Year 1 I-Bond application pool of the availability of funding. As part of this notification, staff detailed the additional documentation that is required to be submitted by grantees in order to update the applications they submitted in September 2008. Since that time staff has been corresponding with grantees to prepare them to submit the required information. In order to further assist these individuals with their questions and the accurate submission of updated information, the Air District established an On-road truck resource center at the Hayward airport on September 13, 2010. This center is staffed by grants and inspection staff and will provide a venue to answer trucker questions, execute grant contracts and perform pre-inspections in the coming months. These services will also be provided in multiple languages to assist individual owner operators.

Completed information is required to be submitted by September 23, 2010. Staff will begin the information entry, ranking, pre-inspection and granting processes with a view to executing contracts beginning in late October/early November 2010.

Additional Year 1 Funding

Due to issues identified by ARB with the San Diego County Air Pollution Control District's (SDCAPCD) execution of the I-Bond program, approximately \$4.5 million

has become available for redistribution Statewide. However, it should be noted that this reallocation is not intended to be permanent. Agencies that have performed to the required standards in the execution of their grant programs are being selected to expend this funding in order that it does not revert to the State legislature. This means that should the Air District accept this funding, a proportional amount will be deducted from the future allocation to the Bay Area trade corridor.

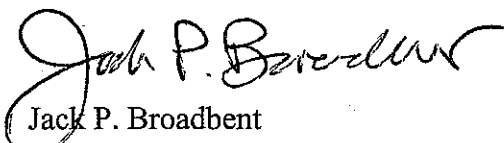
This future deduction will be based on the ability of SDCAPCD to execute its future programs effectively and the availability of State funds. Therefore staff is recommending that the Board of Directors adopt a resolution to authorize the Executive Officer/APCO to accept this funding now and apply it to emissions reductions that can be achieved immediately in the Bay Area.

Also, staff is recommending that the approximately, \$700,000 of funding that will be available to the Air District be used to perform additional On-road truck retrofits and replacements. This recommendation is based on the fact that On-road trucks comprise the bulk of the health risk in the Bay Area, the fact that the On-road truck program is currently over subscribed (\$19 million in requests for \$17.4 million in funding) and that this funding must be encumbered by December 31, 2010.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

Accepting the additional \$700,000 in funding from Year 1 of the I-Bond program would require an amendment to the fiscal year (FY) 10/11 budget. However, as this funding is supplied with additional administrative costs, there will be no increased burden on the FY 10/11 budget. With Board approval and upon receipt of this funding, staff will refer the budget amendment to the Board's Budget and Finance Committee.

Respectfully submitted,


Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2010 -

**A Resolution of the Board of Directors of the Bay Area Air Quality Management
Accepting Goods Movement Emission Reduction Program Funds
From the California Air Resources Board**

WHEREAS, under Government Code, Section 8879.23, subdivision (c), paragraph (2), funds are appropriated to the California Air Resources Board (ARB) for allocation on a competitive basis for projects that are shown to achieve the greatest emission reductions from activities related to the movement of freight along California's trade corridors;

WHEREAS, California Health and Safety Code, Section 39625 et seq. empowers ARB to allocate Goods Movement Emission Reduction Program ("Program") funds to local public entities, such as the Bay Area Air Quality Management District (District), to provide financial incentives to reduce emissions associated with the movement of freight along California's trade corridors;

WHEREAS, in May 2008, ARB awarded the first installment of \$250 million to local agencies, which are currently implementing emission reduction projects under the Program;

WHEREAS, under the guidelines of the program, ARB's has the ability to allocate additional funds to any trade corridor based on nonperformance in another area;

WHEREAS, in September 2010, the ARB notified the Air District that it has available up to an additional \$700,000 in California Goods Movement Bond Funding for redistribution to the Bay Area trade corridor;

WHEREAS, the District wishes to accept this funding for existing Program Year 1 Goods Movement Bond projects pursuant to the ARB invitation;

WHEREAS, ARB requires each public agency to include in its request for additional monies a signed or proposed resolution authorizing receipt of Program funding;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby authorizes the District to enter into an agreement with ARB, to accept additional Program Year 1 goods movement Bond funds, and provide matching funds (if any are required) under the fiduciary control of the District that are identified in a District project funding demonstration.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to sign and submit the local agency project application.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to execute the District's project grant agreement between ARB and the District.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to execute an equipment project contract between the District and equipment owner.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to sign Grant Expenditure Requests and delegate signature authorization to others. The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2010 by the following vote of the Board:

AYES:

NOES:

ABSENT:

Brad Wagenknecht
Chairperson of the Board of Directors

ATTEST:

John Gioia
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 16, 2010

Re: Update on Bicycle Programs

RECOMMENDED ACTION:

Recommend Board of Directors:

- Approve the allocation of \$1.4 Million in Transportation Fund for Clean Air (TFCA) Regional Funds from FY 09/10 to support a pilot Bicycle Share Program.

BACKGROUND

The Bay Area is currently not attaining State and Federal ambient air quality standards for ground-level ozone and particulate matter. In the Bay Area, the transportation sector accounts for more than 50% of "criteria" pollutants, including reactive organic gases (ROG) and oxides of nitrogen (NO_x), both of which are ozone precursors, and particulate matter (PM), and for more than 40% of greenhouse gas (GHG) emissions. Within the transportation sector, more than 50% of ROG, NO_x, and PM, and approximately 70% of GHG emissions are generated by on-road vehicles. Therefore, significant emission reductions from the on-road transportation sector are key to the Bay Area's attainment of air quality standards, to improving public health and to climate protection.

Recently the Metropolitan Transportation Commission (MTC) initiated development of the regions' strategy to meet regional GHG reduction commitments under Senate Bill 375. Completion of the Bay Area's bicycle network will be a key element of this strategy. In support of this effort, staff is proposing to administer a pilot bicycle-sharing program to expand and complement existing bicycle facility programs including class I, II, and III bikeways, and bicycle parking.

DISCUSSION

During the past 5 funding cycles, the Bay Area Air Quality Management District (Air District) has awarded approximately \$15 million in TFCA funding, including Regional and Program Manager Funds, to support the expansion of bicycle facilities in the Bay Area. On June 6, 2010, the Air District Board of Directors approved the proposed Fiscal Year (FY) 2010/2011 TFCA Regional Fund Policies for Bicycle Facility Projects and a set-aside of up to \$600,000. At that time, the Mobile Source Committee requested that staff take action to investigate regional interest in bike-sharing programs, options for funding bike-sharing programs and the bulk purchase of bicycle infrastructure (racks and/or lockers). Based on stakeholder and Board input, staff is currently

exploring options for initiating a bulk purchase of bicycle infrastructure (lockers and/or racks) and a continuation of TFCA Regional Funds to support expansion of bikeways in the Bay Area.

Also in response to the Committee's direction, on August 13, 2010, the Air District submitted a \$5.15 million proposal to the MTC for a project to pilot bike-sharing in partnership with the Santa Clara Valley Transportation Authority (VTA), SamTrans, San Francisco Municipal Transportation Agency, and the cities of San Francisco, Redwood City, Mountain View, Palo Alto, and San Jose. This pilot project proposes to deploy 1,000 bicycles at up to 100 kiosk stations along the peninsula transportation corridor in five cities. This collaborative, regional project builds on existing efforts to reduce vehicle miles travelled within Bay Area communities and supports recommendations identified in regional and local urban plans. Among the outcomes of the Project, the Air District will research, test, and evaluate sustainable program financing models, including private-public partnerships. The results from the Project will be used to inform the development of a regional bike-sharing strategy useful for expanding the program in the pilot cities and for replicating the program in other targeted Bay Area communities. The Project will also include an extensive outreach component that will encourage transportation mode shift to sustainable transportation alternatives with a focus on bicycling. In order to fund this \$7.9 million project, staff is requesting up to \$1.4 million from remaining FY 09/10 TFCA Regional Funds as match to the \$5.15 million application to MTC, and \$1.34 million match from partner agencies.

The pilot will complement other Bay Area sustainable transportation alternative efforts, including Alameda County's Sustainable Pathways Initiative proposal to the EPA Climate Showcase Grant Program. This proposal will implement a suite of services, programs and outreach, including a bicycle-sharing component, in order to increase the health and vitality of Alameda County's employees and residents.

Also, as part of the development of the bicycle-share proposal, staff surveyed representatives from the nine Bay Area Congestion Management Agencies (CMAs) regarding their interest in pursuing bike-sharing. At this time, most CMAs, with the exception of the San Francisco County Transportation Authority and the VTA, are focused primarily on the expansion of traditional bicycle facility projects within their communities. However, overall, the CMAs are interested in the bicycle-sharing concept and are eager to learn from the proposed pilot.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for the TFCA program are provided by the funding source.

Respectfully submitted,


Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen M. Schkolnick
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: Report of the Stationary Source Committee Meeting of September 27, 2010

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The Stationary Source Committee met on Monday, September 27, 2010 and considered and received the following reports and updates:

- A) Report on Recent Permit Activities for Crematories;
- B) Proposed Regulation 11, Rule 17: Limited Use Stationary Compression Ignition Engines in Agricultural Use;
- C) Proposed Amendments to Regulation 9, Rule 10: NO_x and CO from Boilers, Steam Generators and Process Heaters in Petroleum Refineries; and Manual of Procedures, Volume II, Part 5: Refinery Heater Emissions Verification Procedures

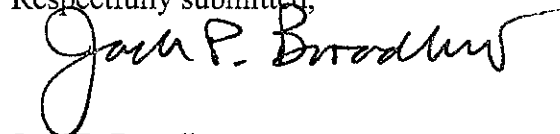
Attached are the staff reports presented to the Stationary Source Committee for your review.

Chairperson Gayle Uilkema will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer C. Cooper

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Uilkema and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2010

Re: Report on Recent Permit Activities for Crematories

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND ON CREMATORIES

In the United States, the disposition of human remains is primarily by burial, although the percentage of cremations has increased markedly over the last 20 years and is expected to reach nearly 60 percent by 2025. Cremation is generally less expensive than traditional burial services, and this cost factor together with changing attitudes toward cremation are believed to be the reasons for this upward trend. A crematorium may be part of a chapel or a funeral home, a service offered by a cemetery, or part of an independent facility.

Crematories require District permits, and there are currently 45 permitted crematories in the Bay Area. On average, a facility conducts 645 cremations per year. The three largest facilities have activity levels that are about four to six times higher than the average level, and account for 37 percent of the approximate 28,400 cremations conducted per year in the Bay Area. Crematories are located in each of the nine Bay Area counties, except for San Francisco in which crematories are not allowed by local ordinance. Crematories are often located within mixed-use residential areas, with about one-third of Bay Area crematories being located within 50 yards of a residence.

Modern crematories are designed to have efficient combustion while minimizing particulate matter entrained into exhaust gases. Design elements used include primary and secondary combustion chambers equipped with natural gas or propane-fired burners, and automated control systems that monitor operations. Secondary combustion chamber temperature, a parameter of complete combustion, is required to be maintained at an appropriate level, and is continuously monitored during operations.

Crematories are relatively small sources of air pollution. For example, Bay Area crematories collectively account for just 0.033%, 0.043% and 0.010% of total stationary source emissions for precursor organics, nitrogen oxides, and PM₁₀, respectively. Source category-specific rules have therefore not been developed for crematories at the EPA,

CARB, or District-level. In the Bay Area, crematories are subject to several generally applicable rules, including those limiting emissions of visible emissions and toxic air contaminants (TACs). Requirements are also established at the time of initial permitting through the District's New Source Review program, which includes an evaluation of local impacts of TACs through a Health Risk Screening Analysis (HRSA). TAC emissions at existing facilities are addressed on an on-going basis through the Air Toxics Hot Spots Program. Crematories emit small quantities of a variety of TACs, with emissions of arsenic, dioxins/furans, hexavalent chromium, and mercury typically contributing most to localized health risks.

GRISSOM'S CHAPEL AND MORTUARY PERMIT REVIEW

The District typically evaluates three to four permit applications for new crematory equipment per year. Proposals to establish new crematories, or to expand existing crematories, are often met with strong opposition from members of the public. In addition to concerns about degradation of air quality and other environmental impacts, objections to crematories have also been expressed over social, cultural, and religious issues. In some cases, strong public reaction to proposed crematories in the Bay Area has led to the adoption of local ordinances that restrict or prohibit crematories (e.g., in the cities of San Leandro and San Rafael).

A recent example of a proposed crematory receiving public opposition is the proposal to construct a crematory at Grissom's Chapel and Mortuary, a business which has been located at 267 East Lewelling Blvd. in San Lorenzo (unincorporated Alameda County) since 1969. On January 14, 2009, the facility submitted a permit application to the District to construct a new crematory that would be limited to 500 cremations per year. The facility is located in a mixed-use area, and the proposed crematory unit would be sited immediately adjacent to a residential building.

An HRSA was prepared for the proposed crematory by District staff under the requirements of District Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants. The proposed source initially failed the HRSA based on modeled impacts at the adjacent residential building. The project was subsequently modified by the applicant to pass the HRSA by increasing the stack height (i.e., the proposed stack was increased by 50 percent, from 19 to 28 feet above grade). The revised HRSA indicated that the maximum residential health risks from the proposed project's TAC emissions would occur at a location about 75 feet from the stack with a lifetime cancer risk of 2.3-in-a million (Reg. 2-5 limit is 10 in-a-million), a chronic hazard index of 0.2 (Reg. 2-5 limit is 1.0), and an acute hazard index of 0.8 (Reg. 2-5 limit is 1.0).

The proposed crematory would be located within one quarter mile of the outer boundary of three schools (i.e., St. John Elementary School, San Lorenzo High School, and Colonial Acres Elementary). As such, the application was subject to public notification requirements under District rules. Nearly 3,500 public notices were distributed to the parents and/or guardians of students attending the nearby schools, and all addresses

within 1000 feet of the proposed crematory. The public notice established a 30-day period to comment on the proposed project, by letter, e-mail or telephone.


Fourteen individuals commented on the proposed project. All comments indicated opposition to the project, but none provided substantive evidence that District staff had erred in its evaluation of whether the proposed project meets applicable air quality requirements. After responding to all comments received, the District concluded that the proposed project met all applicable air quality requirements, and an Authority to Construct was issued on July 16, 2009.

Communications with Alameda County staff indicate that, in October 2009, County staff became aware of a County ordinance that was enacted many years ago that prohibits new crematories that are located within 300 feet of a residence. Due to this ordinance, the Grissom's crematory has not been constructed. The County is now, however, considering updating the ordinance. The updated ordinance would create a conditional use permit process to allow existing mortuaries (including funeral homes) or cemeteries to add a crematory to their existing operation, even if located closer than 300 feet to the nearest residence, subject to conditions and appropriate findings. The County has issued an Initial Study and Draft Negative Declaration under CEQA for this ordinance change, and has established a review period for these documents from September 1 to October 1, 2010. The County has also scheduled public hearings on this item as follows: (1) the Castro Valley Municipal Advisory Council on September 13, 2010, (2) the Alameda County Planning Commission on October 4, 2010, and (3) the Alameda County Board of Supervisors on October 12, 2010.

In a letter to Alameda County dated August 16, 2010 (copied to District Board members), the District clarified that the District has not taken a specific position on potential changes to the County's existing crematory ordinance. The District recommended that the recently updated CEQA guidelines be followed to evaluate air quality impacts if a conditional use permit approach is selected rather than the existing buffer-zone approach.

At the request of the County, District staff has attended several County meetings to answer questions about air quality requirements for crematories and the permit evaluation completed for the Grissom's project. In preparation for these meetings, staff has evaluated the proposed Grissom's crematory for significant impacts under the District's updated CEQA guidelines. The results of this evaluation indicate that the proposed project would have less than significant individual and cumulative air quality impacts.

Respectfully submitted,


Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Uilkema and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 16, 2010

Re: Proposed Regulation 11, Rule 17: Limited Use Stationary Compression
Ignition Engines in Agricultural Use

RECOMMENDED ACTION

Receive and file.

BACKGROUND

District staff is developing a proposed new rule concerned primarily with low-use diesel driven water pumps used to protect agricultural crops from frost on cold winter nights. The rule addresses the schedule required for replacing diesel engines subject to the California Air Resources Board (CARB) Air Toxic Control Measure (ATCM) that was approved in 2004, and then revised to include agricultural diesel engines in 2006. The ATCM requires existing stationary agricultural diesel engines greater than 100 HP to be replaced by December 31, 2010, and those from 50 – 100 HP to be replaced by December 31, 2011.

The ATCM exempts agricultural wind machines and agricultural emergency generators. However, the ATCM does not provide any other exemptions for low-use agricultural diesel engines. Vineyard owners have pointed out that the economic analysis during development of the ATCM did not properly consider the remaining life of existing low-use stationary agricultural diesel engines, and the minimal emissions and exposure from these engines. This proposed rule is designed to address this concern.

DISCUSSION

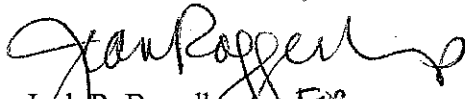
Staff will provide the Committee with information on:

- Current ATCM requirements for low-use stationary agricultural diesel engines;
- A Proposed Alternate Compliance Plan for stationary agricultural diesel engines used less than 100 hours per year.
- How the Alternate Compliance Plan will require replacement with cleaner (Tier 4) diesel engines, thus achieving greater VOC, NOx, and PM emissions than the ATCM.
- Summary of rule development efforts; and next steps in the process.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None

Respectfully submitted,


Jack P. Broadbent *JPB*
Executive Officer/APCO

Prepared by: Guy Gimlen

Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Uilkema and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 20, 2010

Re: Proposed Amendments to Regulation 9, Rule 10: NOx and CO from Boilers,
Steam Generators and Process Heaters in Petroleum Refineries; and Manual of
Procedures, Volume II, Part 5: Refinery Heater Emissions Verification
Procedures

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

Regulation 9, Rule 10 limits nitrogen oxides (NOx) and carbon monoxide (CO) emissions from boilers, steam generators and process heaters operating in petroleum refineries. Control Measure SSM 10 in the 2010 Clean Air Plan proposes to examine NOx emissions at refinery heaters and the feasibility and cost-effectiveness of further NOx controls.

Staff has been working on this control measure for some time, as was reported to the Stationary Source Committee on May 13, 2010. Although further NOx emission reductions are not considered to be cost-effective for most refinery heaters at this time, further reductions can be obtained from CO boilers. CO boilers are a type of steam generator that processes flue gas from coking units or from catalytic cracking units to reduce emissions of carbon monoxide, a criteria pollutant. CO boilers tend to be among the largest refinery heaters, and six of these heaters are operated at three of the Bay Area refineries.

Since the May 13 Stationary Source Committee meeting, staff has received comments on the first proposal and issued a second draft of the rule and developed a Manual of Procedures chapter for refinery heaters. Staff posted notice of these changes and solicited comments on these documents on August 12 and have met with affected refiners since that time.

DISCUSSION

Staff will provide the Committee with the following information:

- Background on current rule requirements and a description of affected equipment and their emissions;
- Proposed amendments to Regulation 9, Rule 10;

- Proposed Manual of Procedures chapter;
- Estimated emissions reductions and associated costs;
- Rule development process to date; and
- Remaining steps to a public hearing.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jack P. Broadbent".

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Julian Elliot
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: Report of the Maritime Sources & Ports Committee Meeting of September 29, 2010

RECOMMENDED ACTIONS

None; Informational only.

BACKGROUND

The Maritime Sources & Ports Committee met on Wednesday, September 29, 2010. The Committee received the following presentations:

- A) Summary of West Oakland Truck Survey and West Oakland Monitoring Study;
- B) Status on Mobile Source Enforcement at the Port of Oakland;
- C) Update on Shore-Power at Bay Area Ports;
- D) Inventory of Emissions from Commercial Ports in the San Francisco Bay Area

Attached are the staff reports presented in the Maritime Sources & Ports Committee Meeting packet.

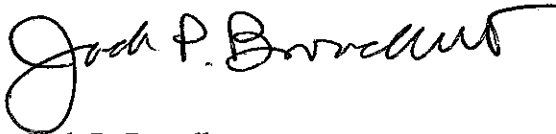
Chairperson Nate Miley will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

- A) Resources for the West Oakland Truck Survey and the West Oakland Monitoring Study were included in the FY 2008/09 and 2009/10 budgets;
- B) The adopted budget for fiscal year (FY) 2010 estimated costs for Mobile Source enforcement of CARB regulations as \$ 201,347 in General Revenue with 2 full time equivalent. There is no change projected for FY 2011;
- C) None. The Air District receives funding for the administration of incentives under both the I-Bond and Mobile Source Incentive Fund programs;

D) Costs for completing the small ports inventories were included in the Air District's approved FY 2009/10 and 2010/11 budgets.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack P. Broadbent". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper

Approved by: Jennifer C. Cooper

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members
of the Maritime Sources and Ports Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 21, 2010

Re: Summary of West Oakland Truck Survey and West Oakland Monitoring Study

RECOMMENDED ACTIONS:

Review and file.

BACKGROUND

West Oakland is bordered by the Port of Oakland—the fifth largest Port in the United States—and bounded by three major freeways (I-580, I-880, and I-980). Because the District's Community Air Risk Evaluation program identified West Oakland as having high risks from toxic air contaminants, the District initiated several studies there to characterize and evaluate the community health impacts associated with emissions from the Port of Oakland maritime operations and from other freeway traffic. Each study has successively increased our understanding of the important sources of toxic air contaminants in West Oakland and the distribution of risk associated with these sources.

In 2008, the California Air Resources Board, with District support and collaboration, completed a Health Risk Assessment (HRA) to assess the health risks from diesel exhaust in the West Oakland community. The risk assessment reported that in 2005 West Oakland residents were exposed to high concentrations of diesel particulate matter (diesel PM)—almost three times higher than the average background levels in the Bay Area—and that the largest source of risk is attributed to truck traffic. However, the study noted that there were significant uncertainties associated with (1) estimates of truck volumes and routes in West Oakland and (2) estimates of the percentage of truck traffic (and therefore emissions and risk) attributable to activity at the Port of Oakland. The results of the HRA were reported previously to the Board of Directors on May 7, 2008.

DISCUSSION

To address important uncertainties identified in the HRA, the District in partnership with Sonoma Technology, Inc (STI), Wiltec, and the West Oakland Environmental Indicators Project (WOEIP) developed and implemented a truck-traffic survey in West Oakland. The survey, completed in the fall and winter of 2008, counted trucks at 38 locations and derived truck

volumes, routes, idling locations, speeds, ages, and truck type (Port versus non-Port). Survey findings supported the HRA finding that trucks are indeed the major source of diesel-related health risk in West Oakland. The truck survey also found that, while trucks were the largest source of risk, there were significantly fewer trucks on surface streets than the HRA estimated. A revised estimate of potential cancer risk in 2005 from all trucking operations decreased from 844 cases in a million to 525 cases in a million. However, the fraction of trucks in West Oakland whose activities were related to the Port was greater than the HRA estimated. A revised estimate of the percentage of risk from all Port-related activity increased from 16 percent to 29 percent. Even with the downward revision indicated by the truck survey, the total potential cancer risk in West Oakland was still much higher than the Bay Area average, with a larger percentage attributed to activities at the Port of Oakland.

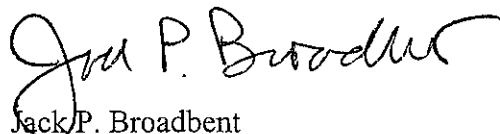
To evaluate the modeling results of the HRA and further characterize the distribution of toxic air contaminants in West Oakland, the District sponsored and participated in the West Oakland Monitoring Study (WOMS). While it is not possible to directly measure diesel PM separately from other sources of PM, some types of measurements, such as black carbon, provide useful indicators for comparisons. The District in partnership with the Desert Research Institute (DRI) completed two seasons of monitoring in the summer of 2009 and the winter of 2009/10 at 16 locations. The study concluded that the seasonal mean concentrations of toxic air contaminants at a central West Oakland location are similar to measurements collected in other Bay Area cities such as San Francisco, Fremont, and San Jose. However, an important WOMS finding was that pollutant concentrations were significantly higher—two to five times higher—along major roads used by diesel trucks. The WOMS further concluded that diesel PM concentrations estimated from 2009/10 measurements were about half of the HRA modeled 2005 concentrations. This significant difference can be explained by (1) the truck survey findings—fewer trucks on surface streets than the HRA estimated—and (2) estimated reductions in truck emissions that occurred between 2005 and 2010.

Staff will provide the Committee with an overview of the West Oakland Truck Survey and the West Oakland Monitoring Study.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Resources for the West Oakland Truck Survey and the West Oakland Monitoring Study were included in the FY 2008/09 and 2009/10 budgets.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Philip Martien
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members
of the Maritime Sources & Ports Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 21, 2010

Re: Status of Mobile Source Enforcement at the Port of Oakland

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Diesel particulate matter (PM) poses the largest air toxic health risk to Bay Area residents. In 1998, the California Air Resources Board (CARB) identified diesel PM as a toxic air contaminant (TAC) based on its potential to cause cancer, premature death and many other health problems. The Air District's Community Air Risk Evaluation (CARE) program studies have shown that diesel PM accounts for over 80% of the TAC cancer risk, with on-road and off-road mobile sources responsible for the majority of the risk.

To address diesel PM from these sources, staff developed the District's Mobile Source Compliance Plan and in late fall 2009, the District entered into a Memorandum of Understanding (MOU) with CARB to enforce mobile source diesel PM regulations and air toxic control measures (ATCMs). The Plan is now being implemented and mobile source enforcement is fully underway. Consistent with the goals of the Plan, the target areas for enforcement and compliance assistance efforts are Ports and CARE areas, with special focus on the Port of Oakland and West Oakland.

Prior to commencing enforcement, logistical steps are completed by staff to ensure that enforcement actions are consistent, timely and effective. These steps include: strategic and tactical planning; classroom/field exercise trainings; compliance assistance; joint inspections with CARB; and independent inspections by District staff. Engaging in partnerships with CARB, the Port of Oakland and other stakeholders has been critical to the success of the District's mobile source enforcement program.

DISCUSSION

Enforcement of the Drayage Truck Regulation (DTR) is the highest priority of the mobile source enforcement program. Beginning in late May 2010 through September 15, 2010, staff conducted 532 DTR inspections and issued 24 violations, resulting in a 95% compliance rate. Inspection staff conducted extensive compliance assistance efforts with truckers to ensure they were aware of the upcoming DTR compliance deadline (e.g., handing out over 2,000 DTR brochures to truckers at the Port on a "long haul" day in September 2009). Staff also inspected all trucks that were to receive District grant funds for DTR retrofit or replacement; 658 trucks were inspected in two weeks for the DTR extension program alone.

In April 2010, staff commenced enforcement of the State commercial idling ATCM, which prohibits idling for more than 5 minutes for diesel vehicles weighing greater than 10,000 pounds. Staff also developed signage and vehicle dashboard stickers in 5 languages; signs are posted at and adjacent to the Port of Oakland, other Ports and in CARE areas. As of September 15, 72 inspections were completed with 15 citations issued, resulting in a 79% compliance rate.

In June 2010, staff commenced enforcement of the Transport Refrigeration Units (TRUs) ATCM. TRUs are powered by diesel engines and are used to heat or cool perishable products (e.g., food, pharmaceuticals, and chemicals) and can be transported on semi-trailers or railcars, integrated into shipping containers, or mounted on truck vans. The ATCM requires CARB ID labels and engine emissions control strategies. As of September 15, staff completed 105 inspections and issued 21 violations, resulting in an 80% compliance rate.

Staff have conducted joint inspections with CARB on ships (combining enforcement of ATCMs which limit fuel sulfur and onboard incineration) and boats - commercial harbor craft (requires registration and engine emissions standards). Staff continue to enforce mobile source requirements under District purview for equipment, locomotives and port truck terminal idling.

The Air District is the first in the State to develop a comprehensive mobile source enforcement program. Using enforcement and compliance assistance actions, the District is reducing diesel PM exposures, is providing leadership on mobile source enforcement and is improving air quality for the communities we serve.

Staff will update the Committee on the Air District's enforcement of CARB mobile source regulations at the Port of Oakland, other Bay Area ports and in CARE Areas.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT:

The adopted budget for FY 2010 estimated costs for Mobile Source enforcement of CARB regulations as \$ 201,347 in General Revenue with 2 FTE. There is no change projected for FY 2011.

Respectfully submitted,



Jack Broadbent

Executive Officer/Air Pollution Control Officer

Prepared by: Barbara Coler

Reviewed by: Kelly Wee/Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members
of the Maritime Sources and Ports Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2010

Re: Update on Shore-Power at Bay Area Ports

RECOMMENDED ACTION:

None. Informational item, receive and file.

BACKGROUND

As part of its efforts to reduce emissions at California ports, the California Air Resources Board (CARB) enacted an Air Toxics Control Measure (ATCM) for *"Auxiliary Diesel Engines Operated on Oceangoing Vessels at Berth in a California Port"* in December, 2007. This regulation requires that vessel owners, terminals and California ports work together to reduce the emissions caused when ships run/idle their engines to provide power for onboard activities while docked. In the Bay Area, the Port of Oakland (Oakland) and the Port of San Francisco (San Francisco) are subject to this regulation and are required to ensure that 50% of the emissions from vessels (container ships and ocean passenger liners, respectively) calling on their ports are reduced by 2014. As part of this report, staff will update the committee on incentives funding available and on progress being made to address electrification at Bay Area ports.

DISCUSSION

Shore-power at San Francisco

San Francisco has been very proactive in terms of meeting its requirements under the shore-power regulation. In order to address the requirement to reduce 50% of the emissions from the vessels calling at San Francisco by 2014, the port applied for Carl Moyer funding in 2006 to install grid-based shore-power at its Pier 27 complex. Pier 27 is the main berth for cruise ships calling on San Francisco and installation of shore-power equipment will be completed by October 6, 2010, at that location; more than three years prior to regulatory requirements.

The total cost of this installation was approximately \$5.2 million and was completed with Air District grant funding (\$1.9 million from the Mobile Sources Incentive Fund (MSIF)), \$1.3 million from the San Francisco Public Utilities Commission, \$1 million each from the Port of San Francisco and the United States Environmental Protection Agency. It is anticipated, based on current ocean passenger liner schedules that this

installation will ensure that San Francisco is in compliance with all future milestones for the shore-power regulation. The surplus emissions reductions [0.5 tons of toxic diesel particulate matter (DPM) and 30 tons of nitrogen oxides per year] obtained by this project have justified the Air District investment. However, the project has taken over four years to engineer and install; an illustration of complexity and lead time necessary to complete these types of projects.

Shore-power at Oakland

APL Terminal

In late 2008, the American Presidents Line (APL) shipping organization, through its terminal operator Eagle Marine Services, received a \$2.8 million I-Bond grant from the Air District to electrify the three berths at its terminal in Oakland. The Air District also provided approximately \$2 million to upgrade three of the five vessels slated to utilize this shore-power installation via a Carl Moyer grant in mid-2009. To date, all of the work to retrofit the cargo vessels has been completed and the shore-power installation in Oakland is slated for commissioning in January 2011, approximately three years prior to the requirements of the shore-power regulation. This project represents three of the 18 terminal berths that need to be electrified in Oakland in order to fully comply with the requirements of the CARB rule.

Port of Oakland Efforts

On March 25, 2010, CARB acted to provide \$23.9 million in funding to the Bay Area trade corridor for shore-power projects over the next two fiscal years. This is approximately 68% of the funding that was requested in a joint application by the Air District and Oakland. This reduction has necessitated a change in Oakland's planning on how to complete the shore-power program.

The Port hosted a meeting with Air District and CARB staff on July 14, 2010, to discuss options for regulatory compliance and grant funding related to shore-power in Oakland. A number of compliance, project cost and granting scenarios were discussed during the meeting. To date, Oakland has indicated that it is pursuing compliance with the CARB regulation by installing at least one electrified berth at each of its terminals. Oakland staff has also indicated that the Port has access to a credit line to accomplish this project goal. However, they have yet to propose incurring debt via a bond sale or loan to Port Commissioners for the estimated \$90 million costs of the shore-power project. However, Oakland is moving to address at least a portion of its shore-power needs. On September 21, 2010, Oakland staff will present a recommendation on shore-power to their Commission that comprises a number of elements:

- A request to accept \$7.86 million in Department of Transportation TIGER funding for a shore-power project involving three berths in Oakland;
- A request to transfer \$4.3 million in Port of Oakland reserves to match this funding;

- A resolution that commits Oakland to providing shore-power to all Port tenants

In support of these actions, Oakland will request approximately \$7.5 million in grant funding from the Air District. While staff is supportive of this action, it falls short of a comprehensive plan for completing the required shore-power infrastructure at Oakland and for using available grant funds.

Over the next months, staff will be engaging with Oakland and CARB to clarify these issues and to identify the best source of grant funding that can be used to expedite the projects that are necessary to ensure surplus emissions prior to the 2014 requirements of the shore-power regulation.

Other Bay Area ports

At present, no other Bay Area ports are subject to the shore-power regulation, however, it has always been CARB's intention to expand the requirements of its rules to cover all ports in California. Based on the economic downturn it is not clear when the planned rule expansion will occur. Currently staff is seeking clarification from CARB on this issue. While there is no regulatory mandate in place, other Bay Area ports, most prominently the Port of Richmond, have inquired about the grant funding available for shore-power. Staff has attended a meeting with the City of Richmond and the Port of Richmond regarding the possibility of funding distributed generation at that location. While no application for funding has been submitted, emissions reductions at the Port of Richmond would be surplus and eligible for both I-Bond and Carl Moyer/MSIF funding.

Incentives Funding

Currently, the Air District is anticipating having \$25 million for expenditure on shore-power in this fiscal year (FY 10/11). The Air District Board of Directors (Board) set aside \$5 million in MSIF funds on June 16, 2010, and the Air District is currently waiting for a contract from CARB for \$20 million in I-Bond funding. Staff is now working to ensure that Oakland understands the performance requirements of the reserved MSIF funding prior to releasing a call for applications for this funding.

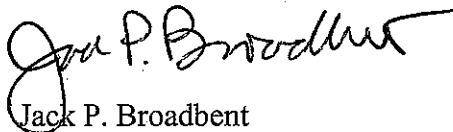
It is anticipated that CARB will provide I-Bond funding for shore-power to the Air District this month. However, it is likely that there will be significant milestone and performance requirements for Bay Area ports in this contract. This will require grantees to make progress along a timeline that will lead to early compliance or emissions reductions surplus to CARB's regulation requirements. Should Bay Area ports not meet the milestones and performance requirements, the Air District will be required to reallocate funding from the shore-power project to on-road trucks or lose the funding. Given that a large sum of money (\$20 million) is being committed to a very small number of projects with extensive lead-times, the CARB and Air District need assurance that no funding will revert to the state legislature as a result of non-performance. Additionally, it is important to note that there is a large demand for funding for on-road trucks, a category which comprises the bulk of the health risk here in the Bay Area.

The milestone and performance requirements and the I-Bond shore-power contracts are anticipated to be available to the Air District for review in October 2010. Also, an additional \$3.9 million in I-Bond funding will be provided to the Air District for Bay Area ports in the next fiscal year, dependent on California State bond sales.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District receives funding for the administration of incentives under both the I-Bond and MSIF programs.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen

Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Miley and Members
of the Maritime Sources and Ports Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2010

Re: Inventory of Emissions from Commercial Ports in the San Francisco
Bay Area

RECOMMENDED ACTION:

Accept and file the emission inventories for four commercial seaports in the San Francisco Bay Area Air Basin.

BACKGROUND

Commercial maritime activity in the San Francisco Bay Area Air Basin is diverse. The Bay Area has five active commercial ports, one cruise ship terminal, and several industrial wharves serving refineries, steel and chemical facilities. There are numerous small marinas that serve as home ports for the region's commercial and recreational fishing fleet. The five commercial ports are Oakland, Richmond, San Francisco, Benicia, and Redwood City. Cruise ship terminals are located at Piers 35 and 37 in San Francisco. The bay also has several main vessel anchorages designated by the United States Coast Guard to accommodate vessels transferring fuel, performing maintenance or changing crews. The main anchorage is located south of the Bay Bridge between Alameda and San Francisco. The bay is also the entry point for the inland ports of Sacramento and Stockton.

On November 19, 2008, the Board of Directors adopted a Green Ports Initiative to decrease emissions from commercial maritime activity in the Bay Area consisting of three interrelated elements:

- Enforcement of the California Air Resources Board (CARB) air toxic control regulations on mobile sources operating at or near ports;
- Grants to ports and their tenants for earlier or greater emission reductions than required by the CARB regulations;
- Evaluation of progress in reducing emissions through inventories, monitoring and public education.

In May 2009, as part of the third element of the Green Ports Initiative, the Air District signed a Memorandum of Agreement with the Bay Planning Coalition (BPC) and the five public commercial ports, for the preparation of a maritime emissions inventory for four Bay Area public ports. These port-specific inventories were compiled by Air District staff and two consulting

teams -- Moffatt & Nichols and ENVIRON – retained by the Bay Planning Coalition, and considered all major sources of emissions associated with port activities. Air District staff completed the harbor craft and locomotive emissions estimates in their entirety, and assisted with calculating ship emissions by compiling from private databases and CARB reports the characteristics of the vessels visiting each port.

To ensure a consistent set of inventories for all the public ports in the region, both the Air District staff and the Bay Planning Coalition's consultant teams followed the methodologies used for a 2005 baseline inventory for the Port of Oakland. The inventories for the four commercial maritime seaports of Benicia, Redwood City, Richmond, and San Francisco are available on the District website at <http://www.baaqmd.gov/Divisions/Planning-and-Research/Emission-Inventory-and-Air-Quality-Related/Emission-Inventory/Small-Ports-Inventory.aspx>

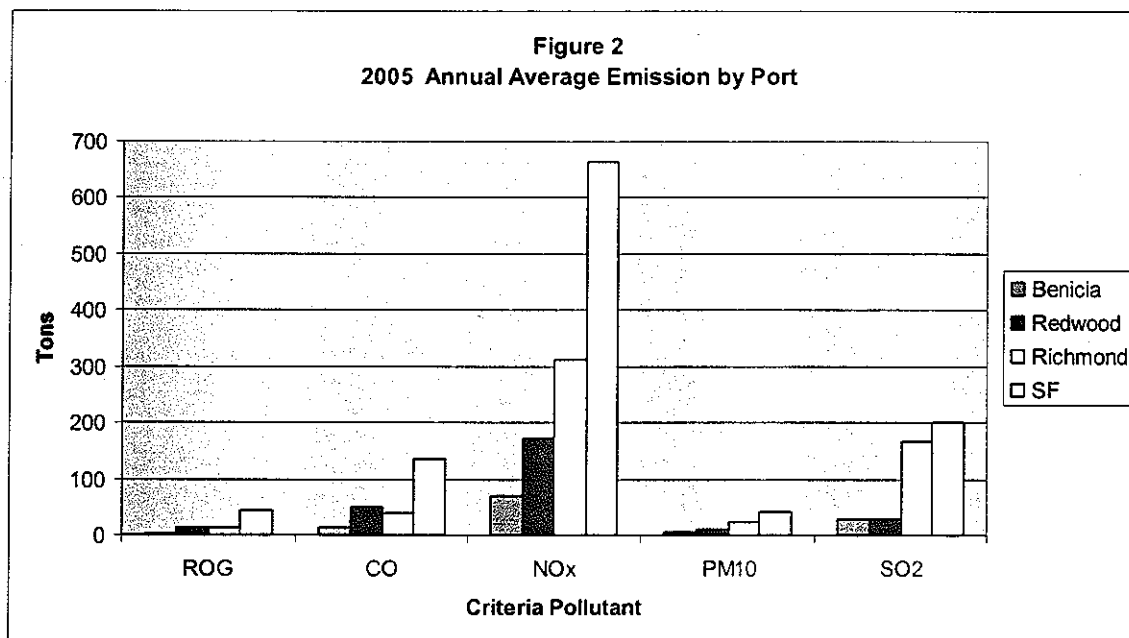
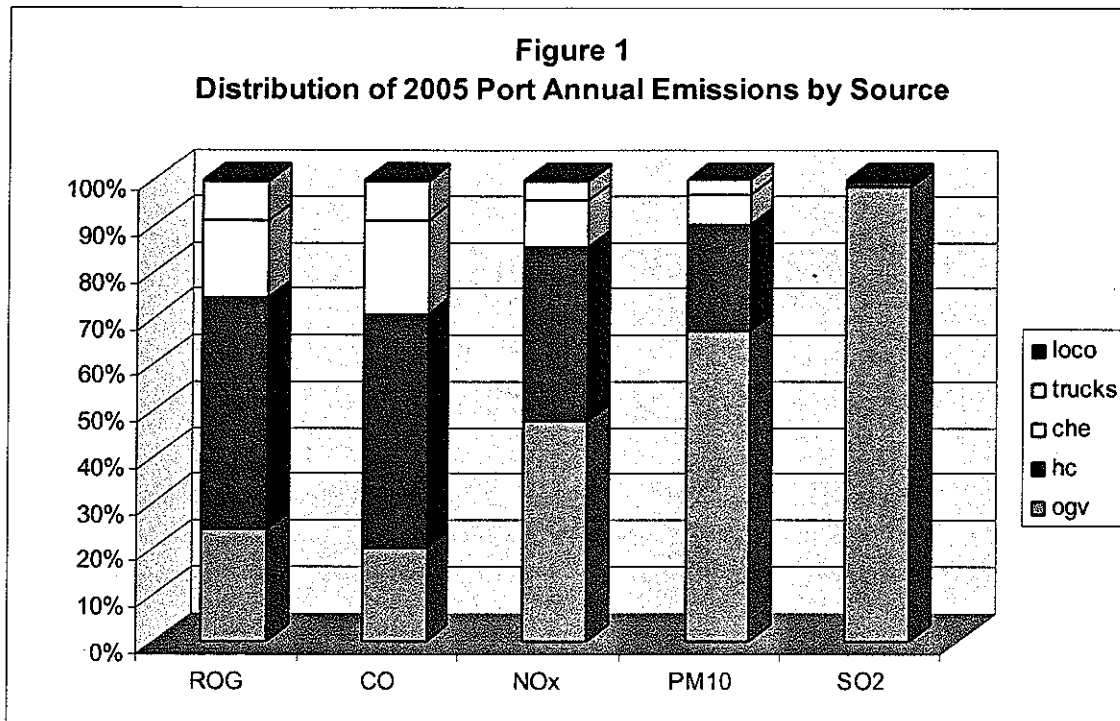
DISCUSSION

It was agreed to limit the scope of the inventories to only those parts of the maritime ports directly controlled by the respective port authorities. To varying degrees, but particularly in Richmond, there are additional maritime activities that occur at terminals owned and operated by private companies. To provide the Board of Directors and the public a thorough accounting of maritime emissions at these waterfront locations, Air District staff completed a separate analysis of emissions from these private sources, following the same methodologies used for the public ports. The consolidated results of these separate analyses of the public and private facilities are provided below in Figures 1 and 2. Detailed summaries are provided in Tables A-1 through A-4 in Attachment A.

Emission estimates for each of the four ports are presented in the five main source categories. These include ocean-going vessels (ogv), harbor craft (hc), cargo handling equipment (che), trucks and locomotives (loco). Each of these source categories represents a port operation that is engaged primarily in the transport of maritime cargo. The inventories include only emissions from diesel engines used in port operations; the inventories do not account for other relatively minor sources, such as gasoline powered, light duty vehicles that may have operated at one of the ports. The inventories provide 2005 estimates in units of tons per year for the five criteria pollutants – reactive organic gases (ROG), carbon monoxide (CO), oxides of nitrogen (NOx), particulate matter (PM₁₀), and sulfur dioxide (SO₂).

As shown in see Figure 1, marine sources (ocean-going vessels and harbor craft) are the largest single source of criteria pollutant emissions. Overall, marine emissions accounted for over 99% of the SO₂ emissions and 90% of the PM₁₀ emissions of the total emissions from the four ports. The marine sources account for 85% of the NOx and 74% of the ROG emissions, as well.

Figure 2 provides a summary of the total emissions from each of the four small ports. The Port of San Francisco was estimated to be the largest contributor, followed by the Port of Richmond. Both ports have a large inventory of marine activities, mainly harbor crafts and cruise ships for the Port of San Francisco, and ocean-going tankers for the Port of Richmond.



There are some limits to the scope of the emission inventories for the small ports, especially in making any comparison with regional emissions. The four port inventories account for both landside and offshore emissions. The landside emissions are those that occur only within the Port boundaries, while off-shore emissions are estimated from the berth to 11 miles off the Golden Gate. The Air District's regional inventory, however, estimates landside emissions to the Air District's boundaries, and ship emissions up to 100 nautical miles off the coast.

The inventory of the small ports provides a snapshot of emissions that likely occurred in 2005. Since then, all of the sources have been the subject of regulations adopted by the CARB;

regulations that will accelerate reductions in diesel particulate matter and oxides of nitrogen, and in the case of locomotives and ships, reductions in sulfur dioxide. With regards to ports, the two most significant regulations have already come into effective – diesel particulate controls on drayage trucks and low sulfur fuel on ships. The Air District is assisting CARB in compliance and enforcement of these important regulations.

NEXT STEPS


The completion of the 2005 emissions inventories for the four smaller commercial ports, along with the previously completed 2005 inventory for the Port of Oakland, provide a baseline for developing the most effective emission reduction strategies and from which progress in reducing emissions from maritime sources can be measured. Air District staff will continue its emission reduction activities and tracking of progress towards health goals in the port areas by:

- 1) Incorporating increased detail on each public port in future regional emissions inventories, using the methodologies followed in the 2005 inventories. A baseline inventory for 2008 is currently being developed by Air District staff. The Port of Oakland is also working to update its inventory to a 2008 baseline year.
- 2) Using the emissions estimates in the modeling of health risks from emissions around the ports and in the development of appropriate emission reduction strategies as part of Community Risk Reduction Plans, including examining the benefits from regulatory measures and other measures undertaken by local jurisdictions, the State, the federal government and international organizations.
- 3) Assisting CARB with compliance and enforcement of the State diesel air toxic control measures at the port facilities.
- 4) Seeking opportunities to accelerate emission reductions by targeting Air District grants and working with the ports and private terminals in seeking outside funding.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

Costs for completing the small ports inventories were included in the Air District's approved FY 2009/10 and 2010/11 budgets.

Respectfully submitted,



Jack P. Broadbent

Executive Director/APCO

Prepared by: Amir Fanai, Tan Dinh, Michael Murphy

Reviewed by: Henry Hilken

Attachment A – Consolidated Emission Inventory Tables

Attachment A
Consolidated Tables
2005 Emission Inventories

The tables below provide the emission inventories for the Ports of Benicia, Redwood City, Richmond and San Francisco, and are the source of Figures 1 and 2 in the staff report. The data presented in the "Public" columns are taken from Table ES-1 of each of the inventory reports. Data presented in the "Private" column were developed by Air District staff.

Table A-1
Port of Benicia
2005 Emissions Summary by Source
(annual tons)

Source Category	ROG		CO		NOx		PM10		SO2	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Ocean-Going Vessels	1.5	--	3.8		45.6		4.1	--	29.3	--
Harbor Craft	1.5	--	5.8		22.3		1.0	--	0.2	--
Cargo Handling Equip.	0.1	--	1.7		0.3		--	--	--	--
Trucks	0.1	0.1	0.5	0.2	0.4	0.4	--	--	--	--
Locomotives	n/a	--	n/a		n/a		n/a	--	n/a	--
Totals	3.2	0.1	11.8	0.2	68.6	0.4	5.1	--	29.5	--

Table A-2
Port of Redwood City
2005 Emissions Summary by Source
(annual tons)

Source Category	ROG		CO		NOx		PM10		SO2	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Ocean-Going Vessels	1.2	--	3.5	--	38.9	--	3.4	--	27.0	--
Harbor Craft	2.4	--	8.9	--	34.9	--	1.4	--	0.3	--
Cargo Handling Equip.	7.8	--	27.4	--	76.9	--	4.5	--	0.4	--
Trucks	2.2	0.12	8.4	0.5	18.5	1.4	1.1	0.1	0.1	--
Locomotives	0.2	--	0.4	--	2.2	--	0.1	--	0.0	--
Totals	13.8		48.5	0.5	171.4	1.4	10.4	0.1	27.8	--

Table A-3
Port of Richmond
2005 Emissions Summary by Source
(annual tons)

Source Category	ROG		CO		NOx		PM10		SO2	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Ocean-Going Vessels	2.2	5.4	5.3	15.4	60.5	192.4	6.0	15.3	42.7	124.4
Harbor Craft	0.8	1.7	3.0	5.8	11.9	22.5	0.5	0.9	0.1	0.2
Cargo Handling Equip.	0.1	0.9	0.6	4.9	0.2	8.6	--	0.4	--	0.1
Trucks	--	1.6	0.3	3.5	0.3	10.1	--	0.4	--	0.1
Locomotives	--	0.2	--	0.9	0.0	5.7	--	0.1	--	--
Totals	3.1	9.8	9.2	30.5	72.9	239.3	6.5	17.1	42.8	124.7

Table A-4
Port of San Francisco
2005 Emissions Summary by Source
(annual tons)

Source Category	ROG		CO		NOx		PM10		SO2	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Ocean-Going Vessels	7.6	--	19.9	--	246.1	--	25.5	--	195.5	--
Harbor Craft	31.1	--	96.4	--	361.8	--	14.8	--	4.1	--
Cargo Handling Equip.	3.1	--	13.0	--	40.3	--	0.3	--	1.5	--
Trucks *	2.1	0.1	6.6	0.4	13.6	0.9	0.8	0.1	0.1	--
Locomotives	--	--	0.1		0.2	--	--	--	--	--
Totals	43.9	0.1	135.9	0.4	662.0	0.9	41.5	0.1	201.2	--

* Includes emissions from Transportation Refrigeration Units

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: Report of the Strategic Facilities Planning Ad Hoc Committee Meeting of October 1, 2010

RECOMMENDED ACTIONS

- A) The Committee may nominate and elect a Committee Chair;
- B) The Committee will discuss the role, responsibilities and structure of the Committee and may recommend changes to the structure of the Committee;
- C) The Committee will consider recommendations for approval by each agency's respective Committees regarding Phase II of the project.

BACKGROUND

The Strategic Facilities Planning Ad Hoc Committee will meet on Friday, October 1, 2010. The Committee will discuss and receive the following presentations:

- A) Nomination and Election of Committee Chair;
- B) Role, Responsibilities and Structure of the Committee;
- C) Report on the Background and Key Finding and Recommendations on the Strategic Facilities Project-Phase II

Attached are the staff reports presented in the Strategic Facilities Planning Ad Hoc Committee Meeting packet.

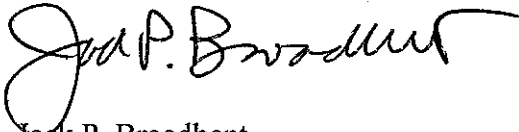
Chairperson Brad Wagenknecht will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

- A) None.
- B) None.

C) Commercial Real Estate Advisory services funding for this project is included in the Bay Area Air District Program 702 of the approved fiscal year 2010/2011 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack P. Broadbent". The signature is fluid and cursive, with the first name "Jack" being more prominent.

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper

Approved by: Jennifer C. Cooper

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Members of the Strategic Facilities Planning Ad Hoc Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2010

Re: Nomination and Election of Committee Chair

RECOMMENDED ACTION:

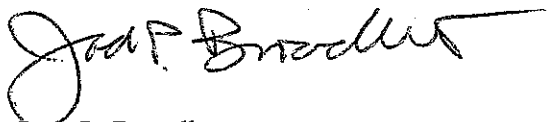
The Committee will nominate and elect a Committee Chair.

BACKGROUND

On June 2010, the Bay Area Air Quality Management District (Bay Area Air District) Board of Directors voted unanimously to create a Strategic Facilities Planning Ad Hoc Committee comprised of the Chair, Vice-Chair, and Executive Directors of the Bay Area Air District, the Metropolitan Transportation Commission (MTC), and the Association of Bay Area Governments (ABAG) to oversee and provide direction on the feasibility of a consolidation of facilities among the three agencies.

A Committee Chair will need to be nominated and elected by the Committee at the October 1, 2010 meeting.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo
Approved by: Jack Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Members of the Strategic Facilities Planning Ad Hoc Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2010

Re: Role, Responsibilities and Structure of the Committee

RECOMMENDED ACTION:

The Committee will discuss the role, responsibilities and structure of the Committee and may recommend changes to the structure of the Committee.

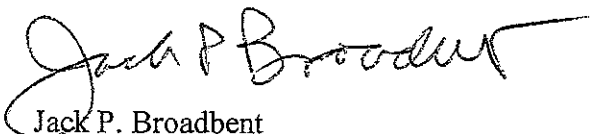
BACKGROUND

On June 2010, the Bay Area Air Quality Management District (Bay Area Air District) Board of Directors voted unanimously to create a Strategic Facilities Planning Ad Hoc Committee comprised of the Chair, Vice-Chair, and Executive Directors of the Bay Area Air District, the Metropolitan Transportation Commission (MTC), and the Association of Bay Area Governments (ABAG) to oversee and provide direction on the feasibility of a consolidation of facilities among the three agencies.

It will be the function of the Strategic Facilities Planning Ad Hoc Committee to consider and recommend to the designated committees of each agency, policy issues relative to facility requirements that best align with the Bay Area Air District, MTC and ABAG's business, financial and operational needs.

The Ad Hoc Committee will consider improvements that will reduce operating cost, increase efficiency, streamline inter-agency initiatives and cooperation, and improve public and employee access. The Committee will discuss additional roles, responsibilities and structure changes, if any, at the October 1, 2010 meeting.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo
Approved by: Jack Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Members of the Strategic Facilities Planning Ad Hoc Committee

From: Jeffrey McKay
Deputy Air Pollution Control Officer

Date: September 17, 2010

Re: Report on the Background and Key Finding and Recommendations on the
Strategic Facilities Project-Phase II

RECOMMENDED ACTION:

The Committee will consider recommendations for approval by each agency's respective Committees regarding Phase II of the project.

BACKGROUND

The Bay Area Air District Board of Directors began discussions regarding alternative headquarters solutions in 2008. Motivations included the cost associated with maintaining the aging building infrastructure.

The Strategic Facility Planning project has used a multi-phased approach in order to develop a strategy that best fits the needs of the Bay Area Air District, Metropolitan Transportation Commission (MTC), and the Association of Bay Area Governments (ABAG). The Bay Area Air District's Phase I of the project was completed in October 2009 and included data gathering, visioning, goal setting, interviews and survey results conducted with the Board of Directors, the Executive Management staff, operational staff, the Advisory Council and the Hearing Board.

In September 2009, the MTC Administrative Committee approved an exploration of options study between the Bay Area Air District, MTC and ABAG. The purpose of the study was to analyze facility requirements, including comparing needs for public meeting space, shared services such as information technology, and library services.

In January 2010, Phase II of the project was executed and included a Memorandum of Understanding between the Bay Area Air District, MTC and ABAG to work jointly to explore the feasibility of a consolidation of facilities among the three agencies and the issuance of a Request for Information and a Request for Proposal for Commercial Real Estate Advisory services.

In June 2010, the Bay Area Air District Board of Directors voted unanimously to create the Strategic Facilities Planning Ad Hoc Committee comprised of the Chair, Vice-Chair, and

Executive Directors from each of the three agencies to oversee and provide direction to staff on the feasibility of a consolidation of facilities.

CB Richard Ellis was contracted as the Commercial Real Estate Broker and has completed the scope of work outlined in Phase II of the project; with the development of a master plan including preliminary facility requirements, preliminary cost/benefit analysis, market research, scenario planning, feasibility analysis and the development of a real estate strategy. On October 1, 2010, the Ad Hoc Committee will receive a report on the background of the project and will review a preliminary report by CB Richard Ellis.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Commercial Real Estate Advisory services funding for this project is included in the Bay Area Air District Program 702 of the approved FY 2010/2011 budget.

Respectfully submitted,



Jeffrey McKay
Deputy Air Pollution Control Officer

Prepared by: Mary Ann Okpalaugo

Approved by: Jack Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: Report of the Legislative Committee Meeting of October 4, 2010

RECOMMENDED ACTIONS

The Committee may recommend Board of Directors' approval of opposition to Proposition 23.

BACKGROUND

The Legislative Committee will meet on Monday, October 4, 2010. The Committee will discuss and receive the following presentations:

- A) Summary Of 2010 Legislative Year;
- B) Update On State Budget;
- C) Position On Proposition 23

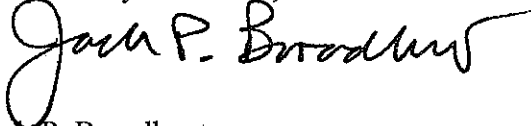
Attached are the staff reports presented in the Legislative Committee Meeting packet.

Chairperson Susan Garner will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

- A) None.
- B) To be discussed.
- C) None.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer C. Cooper

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Garner and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 27, 2010

Re: Summary of 2010 Legislative Year

RECOMMENDED ACTION: None; informational item

BACKGROUND

With the exception of the State Budget, the Legislature concluded its business for the 2010 Legislative Year shortly after midnight on August 31, 2010. The Governor has until September 30, 2010 to act on the roughly 600 bills remaining on his desk. Thus, by our October 4, 2010 Committee meeting, the fate of all bills that the District took positions on this year will be determined, and staff will brief the Committee on this information.

DISCUSSION

Generally, California's ongoing fiscal crisis, brought on by the faltering economy, had an overwhelming influence on the legislative climate in 2010. A host of measures to curb air quality regulations and programs were introduced this year. The proponents of these bills claimed that such regulations were either responsible for, or were hampering the recovery from, California's poor business climate. The District took an oppose position on such bills, and we and our colleagues were quite successful at fending off such negative measures. In fact, not a single bill the District opposed passed out of the Legislature this year.

Unfortunately, far fewer major measures to advance a clean air agenda were introduced this year, in large part because of the poor business climate. The bill that the District co-sponsored, Senator Mark Leno's SB 1433, passed the Legislature in the face of significant business opposition and is now before the Governor. This bill ties air penalty ceilings going forward to inflation. Staff will update the Committee verbally on the fate of this measure at our meeting. Perhaps the most significant air quality bill of the year was AB 2289, authored by Assemblymember Mike Eng. This measure was sponsored by the Air Resources Board (ARB) and the Bureau of Automotive Repair, and would make significant changes to the Smog Check program. This bill was signed into law by the Governor, and should cut roughly 70 tons per day of ozone precursors statewide as a result of its passage.

The following table lists the bills the District took positions on this year, and their fate.

BILL AND AUTHOR	SUBJECT	POSITION	OUTCOME
AB 1672 Jeffries	Changes ARB Board from appointed to elected positions	Oppose	Failed passage
AB 1692 B. Berryhill	Puts penalty revenues collected by ARB (and other state environmental agencies) into the General Fund, instead of directly into ARB programs	Oppose	Failed passage
AB 1740 Jeffries	Eliminates the 500 vehicle cap on kit cars, and ends environmental and financial requirements for amnesty program for fraudulently registered kit cars	Oppose	Failed passage
AB 1863 Gaines	Extends current reduction in testing requirements for hospital's diesel backup generators	Support	Chaptered
AB 1949 Logue	Requires extensive new reports on environmental regulations 5 years after adoption or modification	Oppose	Failed passage
AB 2289 Eng	Allows major changes to smog check testing procedures	Support and seek amendments	Chaptered
AB 2311 Mendoza	Requires triennial review of ARB greenhouse gas fuel regulations, and delay to avoid impacts on fuel prices, small businesses, the economy etc.	Oppose	Failed passage
AB 2469 B.Berryhill	Establishes new dispute resolution process for businesses seeking relief from ARB's AB 32 regs.	Oppose	Failed passage
AB 2565 Ammiano	Reduces CEQA paperwork for lead agencies by allowing increased internet use in CEQA process	Support	Chaptered
AB 2691 Hall	Prohibits AQMDs, cities, counties, or others from imposing GHG fees	Oppose	Failed passage
SB 435 Pavley	Would allow enforcement against tampering of motorcycle emissions controls for 2013 and later bikes	Support	To the Governor
SB 942 Dutton	Requires repeal of regulations if analysis by State Auditor indicates costs outweigh benefits	Oppose	Failed passage

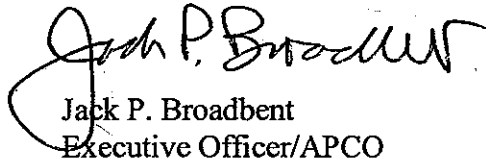
SB 960 Dutton	Requires ARB regulations to be analyzed by Office of Administrative Law for feasibility and costs	Oppose	Failed passage
SB 1114 Florez	Allows districts to create ERCs from marine and locomotive emission reduction projects that are partly public funded	Oppose	Failed passage
SB 1120 Dutton	Prohibits ARB from adopting AB 32 cap-and-trade program unless it is part of a required federal or regional program	Oppose	Failed passage
SB 1194 Hollingsworth	Prohibits air districts from banning installation of wood burning devices in new & existing residences	Oppose	Failed passage
SB 1263 Wyland	Eliminates AB 32	Oppose	Failed passage
SB 1299 Lowenthal	Requires DMV to assess feasibility of VMT fee	Support	Failed passage
SB 1340 Kehoe	Requires CEC to establish a program to reduce costs for in-home electric vehicle charging	Support	To the Governor
SB 1402 Dutton	Requires ARB to detail how each penalty amount was calculated, and takes penalty revenues away from ARB	Oppose	To the Governor, but amended to address our concerns
SB 1433 Leno	Ties air penalty ceilings to inflation	Co-Sponsor	To the Governor
SB 1445 DeSaulnier	Increases vehicle registration fees by \$1 to fund SB 375 implementation	Support	To the Governor
SBX8 57 Cox	Delays ARB on-road diesel regulation by 2 years	Oppose	Failed passage

Also, staff will present to the Committee on October 4, 2010 a longer list of bills of air quality significance and their final resolution. Staff can also answer questions about these bills as well.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack P. Broadbent". The signature is fluid and cursive, with the first name "Jack" being more prominent.

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Garner and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 27, 2010

Re: Update on State Budget

RECOMMENDED ACTION: None; informational item

DISCUSSION

As of the date of preparation of this memorandum, California still has no adopted budget for the 2010-2011 Fiscal Year. While the first three months of the fiscal year have already passed, budget negotiations in Sacramento have been delayed to a record late date. However, the Governor and minority and majority party leaders in both the Assembly and Senate have recently announced that they have agreed on the framework of a budget deal. Thus, on October 4, 2010 staff hope to be able to verbally present to the Committee the implications to the District of a recently-adopted State budget.

BUDGET CONSIDERATION/FINANCIAL IMPACT

To be discussed.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Garner and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 27, 2010

Re: Position on Proposition 23

RECOMMENDED ACTION: Oppose Proposition 23, and recommend position to full Board of Directors

DISCUSSION

This November, Californians will vote on Proposition 23, called by the sponsors the California Jobs Initiative. The Secretary of State's official summary of the ballot measures is that it: "Suspends State laws requiring reduced greenhouse gas emissions that cause global warming, until California's unemployment rate drops to 5.5% or less for four consecutive quarters. Requires State to abandon implementation of comprehensive greenhouse-gas-reduction program that includes increased renewable energy and cleaner fuel requirements, and mandatory emission reporting and fee requirements for major polluters such as power plants and oil refineries, until suspension is lifted."

More simply, it would put California's Global Warming Solutions Act (AB 32 of 2006) on hold until unemployment is at or below 5.5% for a full year. Since 1970, the state has experienced only three episodes where unemployment was below this level for four quarters. Thus, the Legislative Analyst's Office (LAO) has found that if the proposition is approved by the voters, "it appears likely that AB 32 would remain suspended for many years". The LAO's description and analysis of the proposition is attached for the Committee's consideration.

This Committee and the Board have examined within the last year the issue of the Board taking positions on initiatives. The decision reached by the Board was that the Board will only consider taking positions on initiatives that are specifically about air quality issues. Staff believe that taking a position on Proposition 23 is clearly consistent with this Board decision.

Given the Board's commitment to and leadership on reducing greenhouse gases, staff recommend an oppose position on this measure. Practically, staff concur with the LAO's findings that it will largely halt most of the measures to cut greenhouse gases laid out in the Air Resource Board's scoping plan developed pursuant to AB 32.

Much of the funding for the Yes on 23 campaign has come from the Valero Energy Corporation, Tesoro Corporation, and Koch Industries. Much of funding for the No on 23 campaign has come from clean energy companies and, to a lesser extent, environmental organizations.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack P. Broadbent", with a stylized flourish extending from the end.

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

Proposition 23

Suspends Air Pollution Control Laws Requiring Major Polluters to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming Until Unemployment Drops Below Specified Level for Full Year. Initiative Statute.

BACKGROUND

Global Warming and Greenhouse Gases. Greenhouse gases (GHGs) are gases that trap heat from the sun within the earth's atmosphere, thereby warming the earth's temperature. Both natural phenomena (mainly the evaporation of water) and human activities (principally burning fossil fuels) produce GHGs. Scientific experts have voiced concerns that higher concentrations of GHGs resulting from human activities are increasing global temperatures, and that such global temperature rises could eventually cause significant problems. Such global temperature increases are commonly referred to as global warming, or climate change.

As a populous state with a large industrial economy, California is the second largest emitter of GHGs in the United States and one of the largest emitters of GHGs in the world. Climate change is a global issue necessitating an international approach. Actions in California regarding GHGs have been advocated on the basis that they will contribute to a solution and may act as a catalyst to the undertaking of GHG mitigation policies elsewhere in our nation and in other countries.

Assembly Bill 32 Enacted to Limit GHGs. In 2006, the state enacted the California Global Warming Solutions Act of 2006, commonly referred to as Assembly Bill 32 or

"AB 32." This legislation established the target of reducing the state's emissions of GHGs by 2020 to the level that emissions were at in 1990. It is estimated that achieving this target would result in about a 30 percent reduction in GHGs in 2020 from where their level would otherwise be in the absence of AB 32.

Assembly Bill 32 requires the state Air Resources Board (ARB) to adopt rules and regulations to achieve this reduction. The law also directs ARB, in developing these rules and regulations, to take advantage of opportunities to improve air quality, thereby creating public health benefits from the state's GHG emission reduction activities.

Other Laws Would Reduce GHG Emissions. In addition to AB 32, a number of other state laws have been enacted by the Legislature that would reduce GHG emissions. In some cases, the main purpose of these other laws is specifically to reduce GHG emissions. For example, a 2002 law requires the ARB to adopt regulations to reduce GHG emissions from cars and smaller trucks. Other laws have authorized various energy efficiency programs that could have the effect of reducing GHG emissions, although this may not have been their principal purpose.

"Scoping Plan" to Reach GHG Emission Reduction Target. As required by AB 32, the ARB in December 2008 released its plan on how AB 32's GHG emission reduction target for 2020 would be met. The plan—referred to as the AB 32 Scoping Plan—encompasses a number of different types of measures to reduce GHG emissions. Some are measures authorized by AB 32, while others are authorized by separately enacted

laws. Some of these measures have as their primary objective something other than reducing GHGs, such as reducing the state's dependency on fossil fuels.

The plan includes a mix of traditional regulatory measures and market-based measures. Traditional regulations, such as energy efficiency standards for buildings, would require individuals and businesses to take specific actions to reduce emissions. Market-based measures provide those subject to them greater flexibility in *how* to achieve GHG emission reductions. The major market-based measure included in the Scoping Plan is a "cap-and-trade" program. Under such a program, the ARB would set a limit, or *cap*, on GHG emissions; issue a limited number of emission allowances to emitters related to the amount of GHGs they emit; and allow emitters covered by the program to buy, sell, or *trade* those emission allowances.

Some measures in the Scoping Plan have already been adopted in the form of regulations. Other regulations are either currently under development or will be developed in the near future. Assembly Bill 32 requires that all regulations for GHG emission reduction measures be adopted by January 1, 2011 and in effect by January 1, 2012.

Fee Assessed to Cover State's Administrative Costs. As allowed under AB 32, the ARB has adopted a regulation to recover the state's costs of administering the GHG emission reduction programs. Beginning in fall 2010, entities that emit a high amount of GHGs, such as power plants and refineries, must pay annual fees that will be used to offset these administrative costs. Fee revenues will also be used to repay various state

special funds that have made loans totaling \$83 million to the AB 32 program. These loans have staggered repayment dates that run through 2014.

The Economic Impact of Implementing the Scoping Plan. The implementation of the AB 32 Scoping Plan will reduce levels of GHG emissions and related air pollutants by imposing various new requirements and costs on certain businesses and individuals. The reduced emissions and the new costs will both affect the California economy. There is currently a significant ongoing debate about the impacts to the California economy from implementing the Scoping Plan. Economists, environmentalists, and policy makers have voiced differing views about how the Scoping Plan will affect the gross state product, personal income, prices, and jobs. The considerable uncertainty about the Scoping Plan's "bottom-line" or net impact on the economy is due to a number of reasons. First, because a number of the Scoping Plan measures have yet to be fully developed, the economic impacts will depend heavily on how the measures are designed in the public regulatory process. Second, because a number of the Scoping Plan measures are phased in over time, the full economic impacts of some measures would not be felt for several years. Third, the implementation of the Scoping Plan has the potential to create both positive and negative impacts on the economy. This includes the fact that there will be both "winners" and "losers" under the implementation of the Scoping Plan for particular economic sectors, businesses, and individuals.

A number of studies have considered the economic impacts of the Scoping Plan implementation in 2020—the year when AB 32's GHG emission reduction target is to be

met. Those studies that have looked at the economic impacts from a relatively broad perspective have, for the most part, found that there will be some modest reduction in California's gross state product, a comprehensive measure of economic activity for the state. These findings reflect how such things as more expensive energy, new investment requirements, and costs of regulatory compliance combine to increase the costs of producing materials, goods, and services that consumers and businesses buy. Given all of the uncertainties involved, however, the net economic impact of the Scoping Plan remains a matter of debate.

PROPOSAL

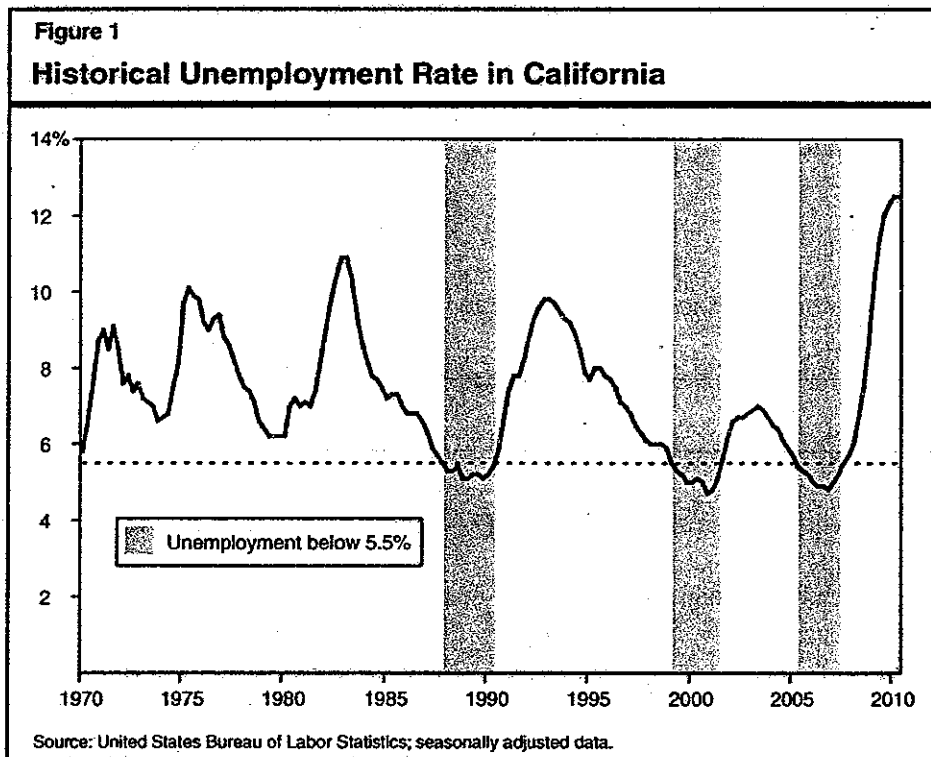
This proposition suspends the implementation of AB 32 until the unemployment rate in California is 5.5 percent or less for four consecutive quarters. During the suspension period, state agencies are prohibited from proposing or adopting new regulations, or enforcing previously adopted regulations, that would implement AB 32. (Once AB 32 went back into effect, this measure could not suspend it again.)

IMPACTS OF THIS PROPOSITION ON CLIMATE CHANGE REGULATION

AB 32 Would Be Suspended, Likely for Many Years. Under this proposition, AB 32 would be suspended immediately. It would remain suspended until the state's unemployment rate was 5.5 percent or less for four consecutive quarters (a one-year period). We cannot estimate when the suspension of AB 32 might end. Figure 1 provides historical perspective on the state's unemployment rate. It shows that, since 1970, the state has had three periods (each about ten quarters long) when the

unemployment rate was at or below 5.5 percent for four consecutive quarters or more.

The unemployment rate in California for the first two quarters of 2010 was above 12 percent. Economic forecasts for the next five years have the state's unemployment rate remaining above 8 percent. Given these factors, it appears likely that AB 32 would remain suspended for many years.



Various Climate Change Regulatory Activities Would Be Suspended. This proposition would result in the suspension of a number of measures in the Scoping Plan for which regulations either have been adopted or are proposed for adoption. Specifically, this proposition would likely suspend:

- The proposed cap-and-trade regulation discussed above.

- The "low carbon fuel standard" regulation that requires providers of transportation fuel in California (such as refiners and importers) to change the mix of fuels to lower GHG emissions.
- The proposed ARB regulation that is intended to require privately and publicly owned utilities and others who sell electricity to obtain at least 33 percent of their supply from "renewable" sources, such as solar or wind power, by 2020. (The current requirement that 20 percent of the electricity obtained by privately owned utilities come from renewable sources by 2010 would not be suspended by this proposition.)
- The fee to recover state agency costs of administering AB 32.

Much Regulation in the Scoping Plan Would Likely Continue. Many current activities related to addressing climate change and reducing GHG emissions would probably not be suspended by this proposition. That is because certain Scoping Plan regulations implement laws other than AB 32. The regulations that would likely move forward, for example, include:

- New vehicle emission standards for cars and smaller trucks.
- A program to encourage homeowners to install solar panels on their roofs.
- Land-use policies to promote less reliance on vehicle use.
- Building and appliance energy efficiency requirements.

We estimate that more than one-half of the emission reductions from implementing the Scoping Plan would come because of laws enacted separately from AB 32.

FISCAL EFFECTS

Potential Impacts on California Economy and State and Local Revenues

There would likely be both positive and negative impacts on the California economy if AB 32 were suspended. These economic impacts, in turn, would affect state and local government revenues. We discuss these effects below.

Potential Positive Economic Impacts. The suspension of AB 32 would likely have several positive impacts on the California economy. Suspending AB 32 would reduce the need for new investments and other actions to comply with new regulations that would be an added cost to businesses. Energy prices—which also affect the state's economy—would be lower in 2020 than otherwise. This is because the proposed cap-and-trade regulation, as well as the requirement that electric utilities obtain a greater portion of their electricity supplies from renewable energy sources, would otherwise require utilities to make investments that would increase the costs of producing or delivering electricity. Such investments would be needed to comply with these regulations, such as by obtaining electricity from higher-priced sources than would otherwise be the case. The suspension of such measures by this proposition could therefore lower costs to businesses and avoid energy price increases that otherwise would largely be passed on to energy consumers.

Potential Negative Economic Impacts. The suspension of AB 32 could also have negative impacts on the California economy. For example, the suspension of some Scoping Plan measures could delay investments in clean technologies that might result in some cost savings to businesses and consumers. Investment in research and development and job creation in the energy efficiency and clean energy sectors that support or profit from the goals of AB 32 might also be discouraged by this proposition, resulting in less economic activity in certain sectors than would otherwise be the case. Suspending some Scoping Plan measures could halt air quality improvements that would have public health benefits, such as reduced respiratory illnesses. These public health benefits translate into economic benefits, such as increased worker productivity and reduced government and business costs for health care.

Net Economic Impact. As discussed previously, only a portion of the Scoping Plan measures would be suspended by the proposition. Those measures would have probably resulted in increased compliance costs to businesses and/or increased energy prices. On the other hand, those measures probably would have yielded public health-related economic benefits and increased profit opportunities for certain economic sectors. Considering both the potential positive and negative economic impacts of the proposition, we conclude that, on balance, economic activity in the state would likely be modestly higher if this proposition were enacted than otherwise.

Economic Changes Would Affect State and Local Revenues. Revenues from taxes on personal and business income and on sales rise and fall because of changes in the level

of economic activity in the state. To the extent that the suspension of AB 32 resulted in somewhat higher economic activity in the state, this would translate into an unknown but potentially significant increase in revenues to the state and local governments.

Other Fiscal Effects

Impacts of Suspension of the Cap-and-Trade Regulation. The suspension of ARB's proposed cap-and-trade regulation could have other fiscal effects depending on how this regulation would otherwise have been designed and implemented. One proposed approach provides for the auctioning of emission allowances by the state to emitters of GHGs. This approach would increase costs to affected firms doing business in the state, as they would have to pay for allowances. Such auctions could result in as much as several billion dollars of new revenues annually to the state that could be used for a variety of purposes. For example, depending on future actions of the Legislature, the auction revenues could be used to reduce other state taxes or to increase state spending for purposes that may or may not be related to efforts to prevent global warming. Thus, the suspension of AB 32 could preclude the collection by the state of potentially billions of dollars in new allowance-related payments from businesses.

Potential Impacts on State and Local Government Energy Costs. As noted above, the suspension of certain AB 32 regulations would likely result in lower energy prices in California than would otherwise occur. Because state and local government agencies are large consumers of energy, the suspension of some AB 32-related regulations would reduce somewhat state and local government energy costs.

Impacts on State Administrative Costs and Fees. During the suspension of AB 32, state administrative costs to develop and enforce regulations pursuant to AB 32 would be reduced significantly, potentially by the low tens of millions of dollars annually. However, during a suspension, the state would not be able to collect the fee authorized under AB 32 to pay these administrative costs. As a result, there would no longer be a dedicated funding source to repay loans that have been made from certain state special funds to support the operation of the AB 32 program. This would mean that other sources of state funds, potentially including the General Fund, might have to be used instead to repay the loans. These potential one-time state costs could amount to tens of millions of dollars. Once AB 32 went back into effect, revenues from the AB 32 administrative fee could be used to pay back the General Fund or other state funding sources that were used to repay the loans.

In addition, once any suspension of AB 32 regulations ended, the state might incur some additional costs to reevaluate and update work to implement these measures that was under way prior to the suspension.

Proposition 23

Suspends Air Pollution Control Laws Requiring Major Polluters to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming Until Unemployment Drops Below Specified Level for Full Year. Initiative Statute.

Yes/No Statement

A YES vote on this measure means: Certain existing and proposed regulations authorized under state law ("Assembly Bill 32") to address global warming would be suspended. These regulations would remain suspended until the state unemployment rate drops to 5.5 percent or lower for one year.

A NO vote on this measure means: The state could continue to implement the measures authorized under Assembly Bill 32 to address global warming.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2010

Re: Resolution on Proposition 23

RECOMMENDED ACTIONS

Consider adoption of a resolution opposing Proposition 23.

BACKGROUND

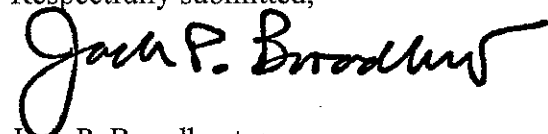
Among the issues the California electorate will consider on November 2, 2010 is Proposition 23, which is called the California Jobs Initiative by the sponsors. It would put California's Global Warming Solutions Act (AB 32 of 2006) on hold until unemployment is at or below 5.5% for a full year. Since 1970, the state has experienced only three episodes where unemployment was below this level for four quarters. Thus, the Legislative Analyst's Office (LAO) has found that if the proposition is approved by the voters, "it appears likely that AB 32 would remain suspended for many years."

Earlier this year the Board examined the issue of taking positions on initiatives. The decision reached by the Board was that the Board will only consider taking positions on initiatives that are specifically about air quality issues. Staff believe that taking a position on Proposition 23 is clearly consistent with this Board decision.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison
Approved by: Jean Roggenkamp

Attachment

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 30, 2010

Re: Summary of the 2010 Ozone Season

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

Staff will present a summary of the 2010 Ozone Season. The summer of 2010 was cooler than the summer of 2009, with high temperatures greater than or equal to 99 F° on 5 days in 2010 compared to 13 days in 2009. Through September 30, 2010 the 8-hour national ozone standard of 75 ppb was exceeded on 9 days compared to 8 days in 2009. The 8-hour State ozone standard of 70 ppb was exceeded on 10 days compared to 13 days in 2009, and the 1-hour State ozone standard of 94 ppb was exceeded on 8 days compared to 11 days in 2009.

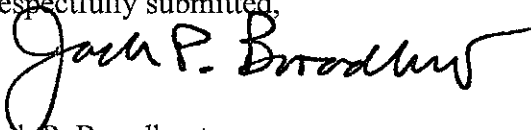
In June of 2004, EPA designated the Bay Area as a marginal nonattainment area with the 84 ppb ozone standard of that time. On March 12, 2008, the EPA revised the standard to 75 ppb and it became effective on May 27, 2008. Based on 2006 through 2008 monitoring data, the California ARB recommended that EPA designate the Bay Area as nonattainment for the revised ozone standard. EPA was scheduled to issue final designations for areas as attainment or nonattainment by March 2010. However on September 16, 2009, EPA announced that it would reconsider the revised ozone standard and published revisions on January 19, 2010. EPA will likely take final action by the end of October or early November 2010, when a revised designation schedule will be announced.

The summer 2010 Spare the Air campaign ran from May 3, 2010 through September 30, 2010. There were 9 Spare the Air days in 2010 compared to 14 days in 2009.

BUDGET CONSIDERATIONS/FINANCIAL IMPACTS

None.

Respectfully submitted,



Jack P. Broadbent
Executive Officer / APCO

Prepared by: Eric Stevenson
Approved by: Jean Roggenkamp